

## TOWN OF BOWLING GREEN TOWN COUNCIL MEETING

#### AGENDA

Thursday, November 06, 2025 6:00 PM

#### **PLEDGE OF ALLEGIANCE:**

#### CALL TO ORDER AND ESTABLISHMENT OF QUORUM:

#### **CONSENT AGENDA:**

- 1. Minutes- October 2, 2025
- 2. FY23 Final Audit

#### **PUBLIC COMMENTS: 3 MINUTES PER INDIVIDUAL**

#### **MEMBER COMMENTS:**

#### **ACTION FOLLOWING CLOSED MEETING:**

<u>Town</u> of Bowling Green Proposed Cable Franchise Agreement Request For Bids and Notice of Public Hearing

#### **STAFF REPORTS & PRESENTATIONS:**

- 3. Bowling Green Police Department Report
- 4. Public Works Department Monthly Report
- 5. Finance Director/Treasurer's Report
- 6. Utilities Report, IES
- Town Manager Report, India Adams-Jacobs, Town Manager

#### **UNFINISHED BUSINESS:**

8. Personnel Policy Adoption, India Adams-Jacobs, Town Manager, and Jeff Gore, Town Attorney

### **NEW BUSINES**S:

- Personal Property Bill Due Date Extension Request, Hope Toliver
- 10. Financial Advisors Engagement, India Adams-Jacobs, Town Manager
- 11. Financial Policies, Ted Cole, Davenport, & Company and India Adams-Jacobs, Town Manager
- 12. 2026 Legislative Agenda Amendment, India Adams-Jacobs, Town Manager
- 13. Cable Franchise Agreement- Comcast, Jeff Gore, Town Attorney

### **INFORMATIONAL ITEMS:**

**PUBLIC COMMENTS: 3 MINUTES PER INDIVIDUAL** 

**MEMBER COMMENTS:** 

**ADJOURNMENT:** 



## TOWN OF BOWLING GREEN TOWN COUNCIL MEETING

#### MINUTES

Thursday, October 02, 2025 6:00 PM

#### PLEDGE OF ALLEGIANCE:

#### **CALL TO ORDER AND ESTABLISHMENT OF QUORUM:**

 The Town Council meeting was called to order at 6:02 PM by Mayor Gambill. The Pledge of Allegiance was led by the Mayor.

Councilmembers Present:

Mayor Gambill, Vice-Mayor Coyle, Councilmember Hageman, Councilmember Storke, Councilmember Chinault, Councilmember Webb, Councilmember Voit, Councilmember Davis

Staff Members Present:

India Adams-Jacobs, Town Manager/Clerk; Jeff Gore, Town Attorney; Hope Toliver, Finance Director/Town Treasurer; Jamie Silveus, Inboden Environmental Services (IES) Operator; Justin Cecil, Chief of Police; Shawn Fortune, Director of Public Works; Jeffrey Smith, Administrative Assistant/Deputy Clerk

#### **CONSENT AGENDA:**

- 1. Town Council Regular Meeting Minutes- September 4
  - A motion to accept the consent agenda was made by Councilmember Voit, seconded by Councilmember Hageman. The consent agenda was approved following unanimous support from the council.

#### **PUBLIC COMMENTS: 3 MINUTES PER INDIVIDUAL**

- Kathleen Self raised concerns regarding vehicle and pedestrian safety when car doors open into traffic on Main Street. She recommended including guidance from the Virginia Code in water bill mailings.
- Sean Robertson expressed concern about a \$220 water bill for three days of service after relocating. He requested prorated billing or a review of billing procedures.

#### **MEMBER COMMENTS:**

Councilmember Voit reported on the Clean Sweep event. While Town Hall's portion was canceled
due to rain, seven households and two churches still participated. Goodwill collected over half a
truckload.

Councilmember Storke raised questions regarding water bill prorating at closings; Town Manager
provided a response regarding minimum billing and asked that the Town Treasurer address this in
more detail during her report.

#### **STAFF REPORTS & PRESENTATIONS:**

- 2. USDA Waterline Project Update, Steve Ball
  - Steve Ball, Webb & Associates project engineer, reported that surveying and design work have been
    completed and submitted to VDOT for review. He anticipates receiving comments within roughly
    thirty days. Following incorporation of any revisions, the project will advance to final USDA
    approval and preparation of bid documents, which he estimates could be ready within about sixty
    days thereafter.
- 3. August Utilities Report, IES
  - Jamie Silveus, Inboden Environmental Services (IES) Operator, noted a routine month in which
    chlorine dosing continued and all required samples were collected, analyzed, and reported to the
    state. Radiological testing was completed, inspections of the RAS pump are ongoing alongside
    scheduled preventive maintenance, and both the auto-sampler installation and oxidation ditch
    repairs have been completed.
- 4. Public Works Report, Shawn Fortune
  - Shawn Fortune, Director of Public Works, discussed recent work addressing clogged pumps, ongoing sidewalk maintenance, and vegetation control. Council also inquired about the Town Code provisions assigning sidewalk upkeep to adjacent property owners, with staff planning to reinforce these expectations in the next newsletter. Additional updates included completing equipment replacements, installing AED signage, continuing beautification efforts, and confirming two new water service connections.
- 5. Bowling Green Police Department Report
  - Justin Cecil, Chief of Police, reported no significant incidents for the period. He also explained how residents and businesses may request property, vacation, and business checks, noting that the department both responds to requests and conducts proactive checks.
- 6. Finance Department /Treasurer Report
  - Hope Toliver, Finance Director/Town Treasurer, stated that the FY23 audit remains in final quality control while internal work has begun for the FY24 audit. Utility bills and delinquency notices were issued, totaling 172, with most accounts bringing their balances current. She outlined a new leak-adjustment follow-up policy and noted progress on the vendor registration/W-9 update project. She further clarified that utility bills are not prorated and that the minimum charge applies to usage below the 5,000-gallon threshold during a utility billing period.
- 7. Town Manager Report
  - The Town Manager, India Adams-Jacobs, reported that work on the USDA project is proceeding
    despite the federal shutdown. Staff are coordinating with Caroline County Fire and EMS to
    prioritize fire hydrant replacements. She reminded the public of the VDOT 301 Smart Scale design

public hearing on October 23 at 5:00 PM in Town Hall and highlighted local business activity, including openings at Ladybird's and El Viejo Mexican Restaurant, with Domino's and Smoothie Haven progressing toward opening. Updates were also provided on preparations for the Harvest Festival and the BGVA Main Street transformation survey.

#### **UNFINISHED BUSINESS:**

None.

#### **NEW BUSINESS:**

- 8. Legislative Agenda, India Adams-Jacobs, Town Manager
  - Town Manager India Adams-Jacobs explained that Town staff refined the town's priorities for the coming legislative session following discussion at the previous Council meeting. Ms. Adams-Jacobs reviewed last year's focus on water system improvements in response to water-quality challenges, highlighting that Senator Richard H. Stuart sponsored related language and that the town, along with Greene County, was named in the budget bill for prioritized grant consideration; she anticipated clarity by next month on any award amounts. She added that the second priority is to seek assistance for wastewater system improvements. To preserve flexibility in working with legislators, the priorities were intentionally framed at a high level, and she emphasized that unanimity among Council members strengthens legislative support.
  - Vice-Mayor Coyle made a motion to adopt resolution #25-010 for the town's legislative request for the 2026 general assembly session, as presented by the Town Manager, seconded by Councilmember Davis. Mayor Gambill initiated a roll-call vote, to which all Councilmembers voiced support. Following unanimous approval, Resolution #25-010 was adopted.
- 9. Fire Hydrants Replacement, India Adams-Jacobs and Shawn Fortune
  - Town Manager India Adams-Jacobs and Public Works Director Shawn Fortune presented a memo identifying three out-of-service hydrants prioritized for replacement: Butler (#589), Anderson (#50017), and Milford Street (#50092). Ms. Adams-Jacobs explained that the selection followed coordination with Fire and EMS, using safety metrics tied to building value, life safety, and density, and was informed by a SERCAP-supported internal GIS effort that cataloged and photographed town-wide hydrants. Staff will also bring forward, during the next CIP process, a multi-year replacement plan addressing additional hydrants currently rated fair or poor by age and condition. One of the targeted hydrants dates to 1936, well beyond useful life.
  - Councilmember Hageman asked Mr. Fortune to confirm that water continues to flow through the lines, though the hydrants themselves are nonfunctional. Mr. Fortune confirmed that valves will be checked during excavation, and estimated costs include valve and hydrant replacement.
  - Mayor Gambill asked whether the short-standing Milford Street hydrant was the oldest. Mr. Fortune said several hydrants of similar vintage remain in the system. On abandoned hydrants encountered during past Main Street work, he noted staff have not mapped all those legacy locations; CCTV inspections will not assist because they address sewer lines, not water.
  - Councilmember Voit moved to authorize the Town Manager to procure and replace the three hydrants from Water Fund line item 500-500-3139, not to exceed the amount of \$40,000 for the three replacements, seconded by Councilmember Hagaman. The motion passed unanimously by a show of hands.
- 10. FY24 Audit Update, India Adams-Jacobs

- Town Manager India Adams-Jacobs reported that although the auditor Robinson, Farmer, Cox Associates (RFCA) presented a draft FY23 audit at the last meeting with an estimated two-and-a-half-week turnaround to final, no final has been received; RFCA indicates the report remains in final QC. USDA continues to press for current audits; the town completed FY21 and FY22 in the past year and a half and seeks to finalize FY23 promptly. To meet partner deadlines, Ms. Adams-Jacobs recommended changing firms and presented a quote from Davis & Associates, which successfully completed audits for the Town of Port Royal and the Town of Urbanna. The proposal is a fixed price not to exceed \$2,500, representing substantial savings relative to the ±\$30,000 per audit the town has been paying, excluding extra hours for pre-audit clean-up.
- Councilmembers asked whether a forensic audit had been contemplated. Ms. Adams-Jacobs
  explained that firm capacity and the town's prior records condition limited options until recent
  system and staffing improvements. She added that no FY24 funds have been expended with RFCA,
  though an engagement letter expected an August 15 start; she will follow up with the Town
  Attorney regarding termination.
- Councilmember Voit motioned to rescind the approval of the engagement letter to RFCA and to
  move forward with Davis and Associates for the Town's FY24 audit, seconded by Councilmember
  Davis. Mayor Gambill initiated a roll-call vote, to which all Councilmembers voiced support.
  Following unanimous approval, the motion passed.

#### **INFORMATIONAL ITEMS:**

- 11. 35th Bowling Green Harvest Festival
  - Town Manager India Adams-Jacobs referenced the flyer included in the packet and announced a Friday harvest Festival kickoff with Music on the Green featuring Scuffletown from 6:00–9:00 PM, followed by the traditional Harvest Festival on Saturday, October 18, from 9:00 AM to 4:00 PM. She and the Mayor will appear on "Virginia This Morning" (Channel 6) next Thursday to promote the event. Temporary street closures will occur to install safety markings and accommodate Music on the Green, with streets reopening at 11:00 PM.
- 12. BGVA Main Street Transformational Strategy Survey- Deadline October 24
  - Ms. Adams-Jacobs encouraged residents to complete the BGVA survey, available via the QR code in the packet, to help shape the future of the Main Street business district; the survey remains open until October 24.
- 13. VDOT 301 Smart Scale Project Public Hearing
  - India Adams-Jacobs reminded Council and residents that VDOT will host the design public hearing for the 301 Bowling Green Bypass intersection and pedestrian improvements on Thursday, October 23, from 5:00 to 7:00 PM at Town Hall.

#### **PUBLIC COMMENTS: 3 MINUTES PER INDIVIDUAL**

• Bonnie Cannon requested a clear, in-room demonstration of how water and sewer bills are calculated, expressing confusion about the base 0–5,000-gallon tier and asking whether recent rate increases are applied to 5,000 gallons even when a customer's usage is lower. She urged Council to consider the broader economic context and the senior residents when assessing fees and late charges. Cannon also said she had not received the resident food-truck survey and asked what "closed" meant in the context of the survey. Finally, she described heavy traffic entering town from

Route 301, especially on weekends and holidays, and suggested that a traffic signal be studied at that location because, at times, she cannot safely exit her driveway.

#### **MEMBER COMMENTS:**

• Councilmember Hageman asked the Town Manager about reports that the former China Inn space, being occupied by Domino's, might be subdivided; Ms. Adams-Jacobs said she has not been contacted regarding a tenant for any other portion of that site.

#### **CLOSED SESSION:**

- 14. Pursuant to Va. Code Section 2.2-3711A(5), to discuss a prospective business or the expansion of an existing business where no previous announcement has been made of the business's interest in locating or expanding its facilities in the town.
  - Councilmember Voit motioned to enter Closed Session pursuant to Virginia Code § 2.2-3711(A)(5) to discuss prospective business or the expansion of an existing business where no prior public announcement has been made of the business's interest in locating or expanding facilities in the town. Councilmember Hagaman seconded, and the motion carried unanimously by a show of hands. The Town Council recessed for ten minutes to clear the Town Hall before commencing the Closed Session.
  - Upon conclusion of the Closed Session, Councilmember Hagaman moved to return to open session and affirmed that the matters discussed were limited to those identified in the motion to convene in closed session, seconded by Councilmember Voit. Mayor Gambill initiated a roll-call certification. With all members certifying, the motion carried unanimously.

#### **ADJOURNMENT:**

• Councilmember Storke motioned to adjourn the Town Council Meeting, seconded by Councilmember Davis. Following unanimous approval, the meeting was adjourned at 7:23 PM.

Attest:		
Mayor:		
Tina Gambill		
Clerk:		
India Adams-Jacobs		



# TOWN OF BOWLING GREEN, VIRGINIA FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

TOWN OF BOWLING GREEN, VIRGINIA Financial Report For the Year Ended June 30, 2023

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TOWN OF BOWLING GREEN, VIRGINIA Financial Report For the Year Ended June 30, 2023

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## ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

#### **Independent Auditors' Report**

To the Honorable Members of the Town Council Town of Bowling Green Bowling Green, Virginia

#### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the Town of Bowling Green, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component unit, and each major fund of the Town of Bowling Green, Virginia, as of and for the year ended June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Town of Bowling Green, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Bowling Green, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that
  are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
  effectiveness of Town of Bowling Green, Virginia's internal control. Accordingly, no such opinion is
  expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Bowling Green, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Bowling Green, Virginia's basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2025, on our consideration of Town of Bowling Green, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Bowling Green, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Bowling Green, Virginia's internal control over financial reporting and compliance.

Richmond, Virginia October 6, 2025

Robinson, Farm, Cent Association

**Basic Financial Statements** 

**Government-wide Financial Statements** 

Statement of Net Position June 30, 2023

		Primary Government					Component Unit
		Governmental Activities	-	Business-type Activities	_	Total	Economic Development Authority Total
ASSETS							
Cash and cash equivalents	\$	1,945,863	\$	1,127,298	\$	3,073,161 \$	12,637
Receivables (net of allowance for uncollectibles):							
Taxes receivable		316,365		-		316,365	-
Accounts receivable		50,505		199,428		249,933	•
Due from other governmental units		13,933		-		13,933	•
Capital assets (net of accumulated depreciation):							
Land and land improvements		39,197		76,530		115,727	•
Buildings and improvements		230,879		42,093		272,972	-
Equipment		26,376		111,127		137,503	•
Infrastructure		1,955		-		1,955	-
Vehicles		43,232		8,940		52,172	-
Utility plant in service		-		8,752,803		8,752,803	•
Construction in progress		-		1,277,569		1,277,569	
Total assets	\$	2,668,305	\$	11,595,788	\$_	14,264,093	12,637
DEFERRED OUTFLOWS OF RESOURCES							
Pension related items	\$	42,105	\$	29,260	\$	71,365 \$	-
OPEB related items		8,751		6,078		14,829	-
Total deferred outflows of resources	\$	50,856	\$	35,338	\$	86,194 \$	-
LIABILITIES							
Accounts payable	\$	37,350	\$	39,530	Ś	76,880 \$	-
Accrued liabilities	·	, -	•	77,654	·	77,654	-
Customers' deposits		-		84,829		84,829	-
Accrued interest payable		-		1,551		1,551	-
Unearned revenue		991,597		, -		991,597	-
Long-term liabilities:		,				,	
Due within one year		3,944		128,342		132,286	-
Due in more than one year		305,327		7,041,181		7,346,508	-
Total liabilities	\$	1,338,218	\$	7,373,087	\$	8,711,305 \$	-
DEFERRED INFLOWS OF RESOURCES			•				
Deferred revenue - property taxes	\$	244,850	¢	_	\$	244,850 \$	_
Pension related items	٠	22,036	٠	15,947	٠	37,983	·
OPEB related items		5,555		3,860		9,415	_
Total deferred inflows of resources	\$	272,441	\$	19,807	ς –	292,248 \$	. ————
	Ţ	272,441	. ,	17,007	·		·
NET POSITION							
Net investment in capital assets	\$	341,639	\$	3,324,180	\$	3,665,819 \$	-
Restricted:							
Donations		10,940		-		10,940	-
Unrestricted		755,923		914,052		1,669,975	12,637
Total net position	\$	1,108,502	\$	4,238,232	\$_	5,346,734 \$	12,637

			Program Revenues				
Functions/Programs	_	Expenses	 Charges for Services	_	Operating Grants and Contributions	-	Capital Grants and Contributions
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$	679,571	\$ -	\$	108,061	\$	-
Public safety		161,109	17,753		43,008		81,800
Public works		317,704	77,883		1,595		-
Community development	_	36,160	1,425				
Total governmental activities	\$_	1,194,544	\$ 97,061	\$	152,664	\$	81,800
Business-type activities:							
Water	\$	534,146	\$ 455,183	\$	-	\$	-
Sewer		837,081	492,763				
Total business-type activities	\$	1,371,227	\$ 947,946	\$	-	\$	-
Total primary government	\$ _	2,565,771	\$ 1,045,007	- \$ =	152,664	\$	81,800
COMPONENT UNIT:							
Economic Development Authority	\$	-	\$ -	\$	-	\$	-
Total component unit	\$	-	\$ -	\$	-	\$	-

#### General revenues:

General property taxes

Local sales and use taxes

Lodging tax

**Business licenses** 

Restaurant food taxes

Bank stock tax

Consumer utility tax

Motor vehicle license taxes

Unrestricted revenues from use of money

Miscellaneous

Grants and contributions not restricted to specific programs

Total general revenues

Change in net position

Net position - beginning

Net position - ending

# Net (Expense) Revenue and Changes in Net Position

				ın	Net Position		
	Primary G	io\	ernment/			C	omponent Units
							Economic
	Governmental		Business-type				Development
	Activities		Activities		Total	_	Authority
\$	(571,510)	\$	-	\$	(571,510)	\$	-
	(18,548)		-		(18,548)		-
	(238,226)		-		(238,226)		-
	(34,735)		-		(34,735)		-
\$	(863,019)	\$	-	\$	(863,019)	\$ <sup>—</sup>	-
				•			
\$	-	\$	(78,963)	\$	(78,963)	\$	-
	-		(344,318)		(344,318)		-
\$	-	\$	(423,281)	\$	(423,281)	ş <sup>—</sup>	-
\$	(863,019)	\$	(423,281)		(1,286,300)	_	-
		٠					
\$	-	\$	-	\$	- !	\$	<u>-</u>
\$	-	\$	-	Ś		: S	-
•		٠.		. "		_	
\$	237,978	ς	_	\$	237,978	ς	_
٠	45,003	7	_	7	45,003	,	_
	2,359		_		2,359		_
	97,574		_		97,574		_
	351,328		_		351,328		_
	300,960		_		300,960		_
	30,655		_		30,655		_
	11,008		_		11,008		_
	72,002		<u>-</u>		72,002		<u>-</u>
	47,242		_		47,242		_
	50,203		<u>-</u>		50,203		<u>-</u>
\$	1,246,312	\$	<del>-</del>	\$	1,246,312	<u>,</u> —	
\$	383,293	\$	(423,281)		(39,988)	_	
7	725,209	7	4,661,513	7	5,386,722	τ	12,637
\$	1,108,502	\$		\$	5,346,734	<u>,</u> —	12,637
~	.,,502	٧,	1,230,232	. ~		<del>-</del> "	, 0 5 7

**Fund Financial Statements** 

Balance Sheet Governmental Funds June 30, 2023

	_	General	Capital Projects	Total
ASSETS				
Cash and cash equivalents	\$	1,993,246	- \$	1,993,246
Receivables (net of allowance				
for uncollectibles):				
Taxes receivable		316,365	-	316,365
Accounts receivable		50,505	-	50,505
Due from other governmental units		13,933		13,933
Total assets	\$	2,374,049	- \$	2,374,049
LIABILITIES				
Reconciled overdraft	\$	- 5	47,383 \$	47,383
Accounts payable and accrued liabilities		37,350	-	37,350
Unearned revenue		991,597	-	991,597
Total liabilities	\$_	1,028,947	47,383 \$	1,076,330
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$_	316,365	s\$	316,365
FUND BALANCES				
Restricted:				
Donations	\$	10,940	- \$	10,940
Unassigned		1,017,797	(47,383)	970,414
Total fund balances	ş <sup>_</sup>	1,028,737	(47,383) \$	981,354
Total liabilities, deferred inflows of resources			· · · · · · · · · · · · · · · · · · ·	
and fund balances	\$ _	2,374,049	·\$	2,374,049

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2023

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds			\$ 981,354
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			341,639
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds. This item is comprised of:			71,515
Unavailable revenue - property taxes			71,515
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	42,105	
OPEB related items	_	8,751	50,856
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This item is comprised of:			
Compensated absences	\$	(39,441)	
Net Pension liability		(251,856)	
Net OPEB liability	_	(17,974)	(309,271)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(22,036)	
OPEB related items	_	(5,555)	(27,591)
Net position of governmental activities			\$1,108,502

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2023

	_	General	Capital Projects	Total
REVENUES				
General property taxes	\$	219,681 \$	- \$	219,681
Other local taxes		838,887	-	838,887
Permits, privilege fees,				
and regulatory licenses		1,425	-	1,425
Fines and forfeitures		17,753	-	17,753
Revenue from the use of				
money and property		72,002	-	72,002
Charges for services		77,883	-	77,883
Miscellaneous		47,242	-	47,242
Intergovernmental:				
Commonwealth		94,806	-	94,806
Federal		189,861	-	189,861
Total revenues	\$ _	1,559,540 \$	\$	1,559,540
EXPENDITURES				
Current:				
General government administration	\$	670,834 \$	- \$	670,834
Public safety		146,029	-	146,029
Public works		296,047	-	296,047
Community development		36,160	-	36,160
Total expenditures	\$ _	1,149,070 \$	\$	1,149,070
Excess (deficiency) of revenues over				
(under) expenditures	\$_	410,470 \$	\$	410,470
Not about a found belowed	<u></u>	440 470 6		440 470
Net change in fund balances	\$	410,470 \$	- \$	410,470
Fund balances - beginning	. –	618,267	(47,383)	570,884
Fund balances - ending	\$ _	1,028,737 \$	(47,383) \$	981,354

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Funds
For the Year Ended June 30, 2023

		-	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds		\$	410,470
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation or vice versa in the current period.	ı		
Capital outlay			(46,628)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of:	:		
Property taxes			18,297
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment, changes in:			
Compensated absences Pension expense OPEB expense	\$	(17,154) 18,105 203	1,154
Change in net position of governmental activities		\$_	383,293

Statement of Net Position Proprietary Funds June 30, 2023

		Er	nterprise Funds	
		Water	Sewer	
		Fund	Fund	Total
ASSETS				
Current assets:		0.7	0.0.15.	4 407 000
Cash and cash equivalents	\$	867,142 \$	260,156 \$	1,127,298
Accounts receivable, net of allowance for uncollectibles		89,743	109,685	199,428
Total current assets	\$_	956,885 \$	369,841 \$	1,326,726
Noncurrent assets:				
Capital assets:  Land and land improvements	\$	18,000 \$	58,530 \$	76,530
Building and improvements	Ç	2,223	100,833	103,056
Equipment		133,815	95,243	229,058
Vehicles		78,535	66,836	145,371
Utility plant in service		3,086,959	9,638,087	12,725,046
Construction in progress		1,277,569		1,277,569
Accumulated depreciation		(1,226,377)	(3,061,191)	(4,287,568)
Total capital assets	ş <sup>—</sup>	3,370,724 \$	6,898,338 \$	10,269,062
Total noncurrent assets	; — \$	3,370,724 \$	6,898,338 \$	10,269,062
Total assets	\$ <del></del>	4,327,609 \$	7,268,179 \$	11,595,788
DEFENDED OUTELOWS OF DESOURCES	_		<u> </u>	, ,
DEFERRED OUTFLOWS OF RESOURCES	¢	42.94/ ¢	47 44 4 6	20.240
Pension related items	\$	12,846 \$	16,414 \$	29,260
OPEB related items	<u>,</u> –	2,668 15,514 \$	3,410 19,824 \$	6,078
Total deferred outflows of resources	\$_	15,514 \$	19,024 \$	35,338
LIABILITIES				
Current liabilities:				
Accounts payable	\$	11,199 \$	28,331 \$	39,530
Accrued liabilities		65,051	12,603	77,654
Customers' deposits		84,829	-	84,829
Compensated absences		2,059	1,654	3,713
Accrued interest payable		388	1,163	1,551
Bonds payable - current portion		30,874	93,755	124,629
Total current liabilities	\$	194,400 \$	137,506 \$	331,906
Noncurrent liabilities:				
Bonds payable - net of current portion	\$	1,405,146 \$	4,196,451 \$	5,601,597
Notes payable - net of current portion		1,218,656	-	1,218,656
Net pension liability		76,839	98,182	175,021
Net OPEB liability		5,483	7,007	12,490
Compensated absences		18,532	14,885	33,417
Total noncurrent liabilities	\$	2,724,656 \$	4,316,525 \$	7,041,181
Total liabilities	\$_	2,919,056 \$	4,454,031 \$	7,373,087
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$	7,757 \$	8,190 \$	15,947
OPEB related items	. —	1,695	2,165 \$	3,860
Total deferred inflows of resources	\$_	9,452 \$	10,355 \$	19,807
NET POSITION				
NET POSITION		744 040 6	2 (22 (22 +	2 224 425
Net investment in capital assets	\$	716,048 \$	2,608,132 \$	3,324,180
Unrestricted	ş <sup>_</sup>	698,567 1,414,615 \$	215,485	914,052
Total net position			2,823,617 \$	4,238,232

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Year Ended June 30, 2023

		Enterprise Funds					
	_	Water		Sewer			
	_	Fund	_	Fund	Total		
Operating revenues:							
Water revenues	\$	441,683	\$	- \$	441,683		
Sewer revenues		-		492,763	492,763		
Total operating revenues	\$_	441,683	\$_	492,763 \$	934,446		
Operating expenses:							
Personnel services	\$	173,681	\$	218,860 \$	392,541		
Fringe benefits		18,343		(16,366)	1,977		
Depreciation		93,544		265,863	359,407		
Other operating expenses		224,984		298,231	523,215		
Total operating expenses	\$_	510,552	\$	766,588 \$	1,277,140		
Income (loss) from operations	\$_	(68,869)	\$_	(273,825) \$	(342,694)		
Nonoperating revenues (expenses):							
Interest expense	\$	(23,594)	\$	(70,493) \$	(94,087)		
Availability/connection fees		13,500		<u>-</u>	13,500		
Total nonoperating revenues (expenses)	\$_	(10,094)	\$	(70,493) \$	(80,587)		
Change in net position	\$	(78,963)	\$	(344,318) \$	(423,281)		
Net position, beginning of year		1,493,578		3,167,935	4,661,513		
Net position, end of year	\$ <u></u>	1,414,615	\$	2,823,617 \$	4,238,232		

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2023

		Enterprise Funds		
		Water	Sewer	
		Fund	Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$	441,674 \$	479,354 \$	921,028
Payments to suppliers	*	(217,969)	(277,442)	(495,411)
Payments to employees (including fringe benefits)		(146,178)	(209,971)	(356,149)
Net cash provided by (used for) operating activities	\$ _	77,527 \$	(8,059) \$	69,468
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
110111111	\$	(435,706) \$	- \$	(435,706)
Additions to utility plant Principal payments on bonds	Ş	(30,377)	- ۶ (90,759)	, , ,
		` , ,	(90,739)	(121,136)
Proceeds from indebtedness		409,743	-	409,743
Connection fees		13,500	- (70.540)	13,500
Interest payments	_	(23,602)	(70,518)	(94,120)
Net cash provided by (used for) capital and related		((( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( (	(4(4,077), 6	(227.710)
financing activities	<sup>\$</sup> —	(66,442) \$	(161,277) \$	(227,719)
Net increase (decrease) in cash and cash equivalents	\$	11,085 \$	(169,336) \$	(158,251)
Cash and cash equivalents - beginning of year		856,057	429,492	1,285,549
Cash and cash equivalents - end of year	\$ <u> </u>	867,142 \$	260,156 \$	1,127,298
Reconciliation of operating income (loss) to net cash				
provided by (used for) operating activities:				
Operating income (loss)	\$	(68,869) \$	(273,825) \$	(342,694)
Adjustments to reconcile operating income (loss) to net cash				
provided by (used for) operating activities:				
Depreciation expense		93,544	265,863	359,407
Changes in assets and liabilities:				
Accounts receivable		(10,629)	(13,409)	(24,038)
Deferred outflows of resources - pension related items		25,559	6,705	32,264
Deferred outflows of resources - OPEB related items		172	1,880	2,052
Accounts payable		7,015	20,789	27,804
Accrued liabilities		16,992	1,410	18,402
Net OPEB liability		1,366	(1,227)	139
Compensated absences		10,572	7,666	18,238
Net pension liability		8,200	10,476	18,676
Deferred inflows of resources - pension related items		(16,957)	(33,045)	(50,002)
Deferred inflows of resources - OPEB related items		(58)	(1,342)	(1,400)
Customer deposits		10,620	-	10,620
Total adjustments	\$ <sup>—</sup>	146,396 \$	265,766 \$	412,162
Net cash provided by (used for) operating activities	\$ <u> </u>	77,527 \$	(8,059) \$	69,468

Notes to Financial Statements June 30, 2023

#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### Narrative Profile:

Town of Bowling Green, located in Caroline County, Virginia, was incorporated in 1837. The Town has a population of 1,167 and a land area of 1.63 square miles.

The Town is governed under the Council-Manager form of government. The Town government engages in wide ranges of municipal services including general government administration, public safety, public works, and community development.

The financial statements of Town of Bowling Green, Virginia have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the Town's accounting policies are described below.

#### A. Financial Reporting Entity

<u>Government-wide Financial Statements</u>: The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

<u>Statement of Net Position</u>: The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities). Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

<u>Statement of Activities</u>: The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expenses of individual functions are compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

<u>Fund Financial Statements:</u> Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

<u>Budgetary Comparison Schedules</u>: Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. The Town and many other governments revise their original budgets over the course of the year for a variety of reasons.

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### A. Financial Reporting Entity: (Continued)

Budgetary Comparison Schedules: (Continued)

Governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results for its major funds.

Individual Component Unit Disclosures: Accounting principles generally accepted in the United States require financial statements to present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The Town has no component units that meet the requirements for blending. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the primary government. The Town has one discretely presented component unit, the Economic Development Authority of Bowling Green. The Authority has a June 30 year end and does not issue separate financial statements.

#### B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The focus is on both the Town as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category) and the component units, if applicable. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual economic resource basis which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The Town generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Town may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, community development, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, community development, etc.) or a business-type activity.

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The Town does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### B. Government-wide and Fund Financial Statements: (Continued)

Internal service charges, if applicable, are eliminated and the net income or loss from internal service activities is allocated to the various functional expense categories based on the internal charges to each function. In the fund financial statements, financial transactions and accounts of the Town are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

Proprietary fund operating revenues consist of charges for services and related revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following is a brief description of the specific funds used by the Town in FY 2022.

1. *Governmental Funds* - Governmental Funds are those through which most governmental functions typically are financed. The government reports the following governmental funds.

General Fund - The General Fund is the primary operating fund of the Town. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. The General Fund is considered a major fund for reporting purposes.

Capital Projects Fund - The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The Capital Projects Fund is considered a major fund.

2. Proprietary Funds - Proprietary Funds account for operations that are financed in a manner similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds - Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise Funds consist of the Water Fund and the Sewer Fund.

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net position) is segregated into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

1. Governmental Funds - Governmental funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts, except that property taxes not collected within 45 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the State or utility, which is generally in the month preceding receipt by the Town. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of State and other grants for the purpose of funding specific expenditures, are recognized when measurable and available or at the time of the specific expenditure.

Expenditures, other than interest on long-term debt, are recorded as the related fund liabilities are incurred. Principal and interest on long-term debt are recognized when due except for amounts due on July 1, which are accrued.

2. *Proprietary Funds* - The accrual basis of accounting is used for the Enterprise Fund. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### D. Budgets and Budgetary Accounting

The following procedures are used by the Town in establishing the budgetary data reflected in the financial statements:

#### 1. Budgets and Budgetary Accounting

- a. The Town Manager, in conjunction with the Administration and Finance Committee, submits a proposed operating budget to the Town Council prior to June 30 of each year. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain citizen comments.
- c. Prior to June 30, the budget is legally enacted through Council vote.
- d. The budget places legal restrictions on expenditures at the function level. The Town Manager is authorized to transfer budgeted amounts between line items within a department without prior approval from the Town Council.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund.
- f. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- g. For the year ended June 30, 2023, expenditures exceeded appropriations in the general government administration function of the general fund by \$207,070.

#### 2. Legally Adopted Budgets

The general, capital projects and proprietary funds have legally adopted annual budgets.

#### E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include all cash on hand and in banks, and highly liquid investments with original maturities of three months or less.

#### F. Property Taxes

Real estate and personal property are assessed annually on January 1st by the County of Caroline. Personal property and real estate taxes attach as an enforceable lien on the property as of January 1st. Taxes are payable in one installment on December 5th. The Town bills and collects its own property taxes. Penalties accrue at 10% on real estate and personal property taxes beginning December 6th. Interest accrues on real estate and personal property taxes at 10% per annum beginning December 6th after the December 5th due date.

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### G. Allowance for Uncollectible Accounts

The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance for uncollectible taxes for the General Fund was \$15,990 at June 30, 2023. The allowance for uncollectible water and sewer charges was \$24,360 at June 30, 2023.

#### H. Capital Assets

Capital assets include land, buildings, equipment, vehicles and water and sewer mains. Any asset or group of assets acquired by the Town that has a useful life in excess of one year and an acquisition cost, or fair value (when received), of at least \$5,000 is reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Such assets are recorded at historical cost (or estimated historical cost) if constructed or purchased. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	5-50 years
Equipment	1-15 years
Infrastructure	10-20 years
Vehicles	5-15 years
Utility Plant in Service	10-50 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

#### I. Compensated Absences

#### Annual Leave

Annual leave is accrued on a semi-monthly basis. The amount of annual leave that an employee accrues and the total that may be accumulated is based upon the employee's length of service. Annual leave accrues on a biweekly basis and on July 1 of each year, all leave accrued in excess of the maximum accrual amount will be lost.

#### Sick Leave

Employees accrue sick leave is based upon the employee's length of service. There is no maximum sick leave accumulation. In the governmental fund types of the fund financial statements, the cost of annual leave and sick leave is only recognized when payments are made to employees. However, in the government-wide financial statements, the liability for accrued annual and sick leave benefits represent the Town's commitment to fund such vested amounts from future operations. In the proprietary funds the amount of such compensated absences is recognized in full when vested.

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as we; ass issuance costs during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### K. Fund Equity

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance amounts a government intends to use for a specific purpose; intent can be
  expressed by the governing body or by an official or body to which the governing body delegates the
  authority;
- Unassigned fund balance amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget or a motion to commit funds. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Town Council or the Town Manager as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### L. Credit Risk

Concentrations of credit risk with respect to receivables are limited due to the large number of customers comprising the Town's customer base. As of June 30, 2023, the Town had no significant concentrations of credit risk.

#### M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

#### N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30th and amounts levied during the fiscal year but due after June 30th, and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts levied during the fiscal year but due after June 30th are reported as deferred inflows of resources. In addition, certain items related to pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

#### O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town Retirement Plan and the additions to/deductions from the Town Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Q. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 2—DEPOSITS AND INVESTMENTS:

## **Deposits:**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

#### Investments:

Statutes authorize the Town to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). The Town had no investments at June 30, 2023.

#### NOTE 3—DUE FROM OTHER GOVERNMENTAL UNITS:

At June 30, 2023 the Town has receivables from other governments as follows:

	(	Governmental Activities
Commonwealth of Virginia:	_	
Telecommunications tax	\$	4,493
Caroline County		9,440
Totals	\$	13,933

Notes to Financial Statements June 30, 2023 (Continued)

## **NOTE 4—CAPITAL ASSETS:**

The following is a summary of changes in capital assets during the fiscal year:

## Governmental Activities:

	J	Balance une 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:	_	<u> </u>			
Land and land improvements	\$	39,197 \$	- \$	- 5	39,197
Total capital assets not being depreciated	\$_	39,197 \$	<u> </u>	- 9	39,197
Capital assets being depreciated:					
Buildings and improvements	\$	454,657 \$	- \$	- 5	454,657
Equipment		127,925	-	-	127,925
Infrastructure		180,620	-	-	180,620
Vehicles		264,852	-	-	264,852
Total capital assets being depreciated	\$	1,028,054 \$	\$		1,028,054
Accumulated depreciation:					
Buildings and improvements	\$	211,131 \$	12,647 \$	- 5	223,778
Equipment	•	97,955	3,594	-	101,549
Infrastructure		169,398	9,267	-	178,665
Vehicles		200,500	21,120	-	221,620
Total accumulated depreciation	\$	678,984 \$			725,612
Total capital assets being depreciated, net	\$_	349,070 \$	(46,628) \$		302,442
Governmental activities capital assets, net	\$	388,267 \$	(46,628) \$	5	341,639
Business-type Activities:  Capital assets not being depreciated:		=, ===			
Land and land improvements	\$	76,530 \$		- 5	- /
Construction in progress	<u>,</u> -	841,862	435,707		1,277,569
Total capital assets not being depreciated	٠,	918,392 \$	435,707 \$		1,354,099
Capital assets being depreciated:					
Buildings and improvements	\$	103,056 \$	- \$	- 9	103,056
Equipment		229,058	-	-	229,058
Vehicles		145,371	-	-	145,371
Utility plant in service	_	12,725,046			12,725,046
Total capital assets being depreciated	\$_	13,202,531 \$	\$		13,202,531
Accumulated depreciation: Buildings and improvements	\$	58,478 \$	2,485 \$	. <u></u>	60,963
Equipment		107,768	10,163	-	117,931
Vehicles		133,131	3,300	-	136,431
Utility plant in service		3,628,784	343,459	-	3,972,243
Total accumulated depreciation	\$_	3,928,161 \$	359,407 \$		4,287,568
Total capital assets being depreciated, net	\$_	9,274,370 \$	(359,407)		8,914,963
Business-type activities capital assets, net	\$ <u>_</u>	10,192,762 \$	76,300 \$		10,269,062

Notes to Financial Statements June 30, 2023 (Continued)

## NOTE 4—CAPITAL ASSETS: (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government Administration	\$ 12,498
Public Safety	14,034
Public Works	 20,096
Total	\$ 46,628
Business-type activities	
Water fund	\$ 93,544
Sewer fund	 265,863
Total	\$ 359,407

## **NOTE 5-COMPENSATED ABSENCES:**

The Town has accrued the liability arising from outstanding compensated absences. The Town had outstanding compensated absences as follows:

overnmental Activities \$		39,441
	. –	
Business-type Activities	\$_	37,130

Notes to Financial Statements June 30, 2023 (Continued)

## NOTE 6-LONG-TERM OBLIGATIONS:

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2023:

	-	Balance at July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities:						
Other liabilities:						
Net pension liability	\$	224,984 \$	96,062	•	•	\$ -
Net OPEB liability		19,317	17,506	18,849	17,974	-
Compensated absences	_	22,287	19,383	2,229	39,441	3,944
Total Governmental Activities	\$	266,588 \$	132,951	\$ 90,268 \$	309,271	\$ 3,944
		Balance at July 1, 2022	Issuances/	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Business-type Activities:	-					·
Water Fund						
Direct borrowings and						
direct placements:						
General Obligation bonds	\$	1,466,397 \$	-	\$ 30,377 \$	1,436,020	\$ 30,874
Advance term promissory note		808,913	409,743	-	1,218,656	-
Other liabilities:						
Net pension liability		68,639	29,308	21,108	76,839	-
Net OPEB liability		4,117	6,924	5,558	5,483	-
Compensated absences		10,019	11,574	1,002	20,591	2,059
Sewer Fund						
Direct borrowings and						
direct placements:						
Sewer revenue bonds		4,380,965	-	90,759	4,290,206	92,245
Other liabilities:						
Net pension liability		87,706	37,448	26,972	98,182	-
Net OPEB liability		8,234	6,824	8,051	7,007	-
Compensated absences	-	8,873	8,553	887	16,539	1,654
Total Business-type Activities	\$	6,843,863 \$	510,374	\$ 184,714 \$	7,169,523	\$ 126,832

Notes to Financial Statements June 30, 2023 (Continued)

## NOTE 6-LONG-TERM OBLIGATIONS: (CONTINUED)

Annual requirements to amortize long-term obligations and related interest are as follows:

Year	Water I	Bonds	Sewer Bonds Advance Term Pron		omissory Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2024 \$	30,874	23,105	92,245	69,032 \$	- \$	77,173
2025	31,379	22,599	93,755	67,522	-	77,173
2026	31,893	22,085	95,290	65,987	1,218,656	77,173
2027	32,415	21,563	96,850	64,427	-	-
2028	32,946	21,033	98,436	62,841	-	-
2029-2033	172,999	96,894	516,888	289,500	-	-
2034-2038	187,631	82,261	560,607	245,780	-	-
2039-2043	203,502	66,391	608,025	198,636	-	-
2044-2048	220,714	49,178	659,453	146,935	-	-
2049-2053	239,383	30,509	715,231	91,156	-	-
2054-2058	252,284	10,266	753,426	30,672	<u> </u>	-
\$_	1,436,020 \$	445,884 \$	4,290,206 \$	1,332,488 \$	1,218,656 \$	231,519

# **Details of Long-term Obligations:**

of Long-term Obligations:				
	_	Amount Outstanding	_	Amounts Due Within One Year
Governmental Activities:		254.054	_	
Net pension liability	\$	251,856	٤_	-
Net OPEB liability	\$_	17,974	\$_	-
Compensated absences	\$	39,441	\$_	3,944
Total Governmental Obligations	\$	309,271	\$	3,944
Business-type Activities: Bonds Payable:	=		_	
\$6,316,000 General Obligation and Sewer Revenue Bonds, issued August 24, 2018, payable in 480 monthly installments of \$17,938 beginning on				
September 24, 2018, interest payable at 1.625% per year.	\$	5,726,226	\$_	123,119
Total general obligation and sewer revenue bonds	\$	5,726,226	\$_	123,119
Notes Payable:  Up to \$5,693,000 Advance Term Promissory Notes, issued April 29,2021, interest payable monthly at rates tied to the LIBOR index rate. Principal due April 29, 2025 if not repaid before that date. \$1,218,656 drawn as of June 30, 2023.	\$	1,218,656	¢	
Julie 30, 2023.	٠.		- د	
Net pension liability	\$	175,021	\$_	
Net OPEB liability	\$_	12,490	\$_	<u>-</u>
Compensated absences	\$	37,130	\$_	3,713
Total Business-type Obligations	\$	7,169,523	\$	126,832
Total Primary Government	\$	7,478,794	\$	130,776
	-		_	

Notes to Financial Statements June 30, 2023

#### **NOTE 7—PENSION PLAN:**

## **Plan Description**

All full-time, salaried permanent employees of the Town are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the <u>Code of Virginia</u>, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

#### **Benefit Structures**

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions

Notes to Financial Statements June 30, 2023

#### NOTE 7—PENSION PLAN: (CONTINUED)

## Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

## Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia

## Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government
Inactive members or their beneficiaries currently receiving benefits	12
Inactive members: Vested inactive members	3
Non-vested inactive members	8
Active members active elsewhere in VRS	16
Total inactive members	27
Active members	11
Total covered employees	50

Notes to Financial Statements June 30, 2023

## NOTE 7—PENSION PLAN: (CONTINUED)

#### **Contributions**

The contribution requirement for active employees is governed by §51.1-145 of the <u>Code of Virginia</u>, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Town's contractually required employer contribution rate for the year ended June 30, 2023 was 14.48% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$71,365 and \$75,986 for the years ended June 30, 2023 and June 30, 2022, respectively.

## **Net Pension Liability**

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The Town's net pension liabilities were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022.

#### Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Town's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation 2.50%

Salary increases, including inflation 3.50% - 5.35%

Investment rate of return 6.75%, net of pension plan investment

expenses, including inflation

Notes to Financial Statements June 30, 2023

## NOTE 7—PENSION PLAN: (CONTINUED)

## Actuarial Assumptions - General Employees: (Continued)

#### Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service-related Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

#### Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

#### Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

#### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

## Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

## All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Notes to Financial Statements June 30, 2023

## NOTE 7—PENSION PLAN: (CONTINUED)

## Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Town's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation 2.50%

Salary increases, including inflation 3.50% - 4.75%

Investment rate of return 6.75%, net of pension plan investment

expenses, including inflation

## Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service related

#### Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

#### Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

#### Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

#### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

#### Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Notes to Financial Statements June 30, 2022

## NOTE 7—PENSION PLAN: (CONTINUED)

## Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post- retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

## Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
34.00%	5.71%	1.94%
15.00%	2.04%	0.31%
14.00%	4.78%	0.67%
14.00%	4.47%	0.63%
14.00%	9.73%	1.36%
6.00%	3.73%	0.22%
3.00%	6.55%	0.20%
100.00%		5.33%
	Inflation	2.50%
ed arithmetic	nominal return**	7.83%
	Target Asset Allocation  34.00% 15.00% 14.00% 14.00% 6.00% 3.00%	Target Asset Allocation  34.00% 15.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 13.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 14.00% 15.71% 14.00% 16.55%

Notes to Financial Statements June 30, 2023

## NOTE 7—PENSION PLAN: (CONTINUED)

## Long-Term Expected Rate of Return (Continued)

\*The above allocation provides a one-year expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

#### Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Town was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the longterm expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to Financial Statements June 30, 2023

## NOTE 7—PENSION PLAN: (CONTINUED)

## Changes in Net Pension Liability (Asset)

		Increase (Decrease)					
		Total Pension Liability (a)	_	Plan Fiduciary Net Position (b)		Net Pension Liability (Asset) (a) - (b)	
Balances at June 30, 2021	\$_	1,590,836	\$_	1,209,507	\$	381,329	
Changes for the year:							
Service cost	\$	51,343	\$	-	\$	51,343	
Interest		108,106		-		108,106	
Differences between expected and actual experience		(16,269)		_		(16,269)	
Assumption changes		-		-		-	
Contributions - employer		-		75,987		(75,987)	
Contributions - employee		_		24,984		(24,984)	
Net investment income		-		(2,631)		2,631	
Benefit payments, including refunds	;	(81,223)		(81,223)		, -	
Administrative expenses		-		(737)		737	
Other changes		_		29		(29)	
Net changes	\$_	61,957	\$_	16,409	\$	· · ·	
Balances at June 30, 2022	\$	1,652,793	<b>\$</b> _	1,225,916	\$	426,877	

## Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

			Kate			
	1	1% Decrease	Current Discount	1% Increase (7.75%)		
		(5.75%)	(6.75%)			
Town's	_					
Net Pension Liability (Asset)	\$	635,782	\$ 426,877 \$	255,943		

Notes to Financial Statements June 30, 2023

## NOTE 7—PENSION PLAN: (CONTINUED)

# Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the Town recognized pension expense of \$54,202. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$	- \$	6,585		
Net difference between projected and actual earnings on pension plan investments	l	-	31,398		
Employer contributions subsequent to the measurement date	_	71,365	-		
Total	\$	71,365 \$	37,983		

# Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

\$71,365 reported as deferred outflows of resources related to pensions resulting from the Town's contributions, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	
2024	\$ (19,394)
2025	(13,313)
2026	(22, 260)
2027	16,984
2028	-
2029	_

Notes to Financial Statements June 30, 2023

## NOTE 7—PENSION PLAN: (CONTINUED)

#### Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (ACFR). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <a href="http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf">http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf</a>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

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Notes of Financial Statements June 30, 2023 (Continued)

## NOTE 8-GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

## **Plan Description**

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the <u>Code of Virginia</u>, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured Plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI Plan OPEB, including eligibility, coverage and benefits is described below:

#### Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

## **Benefit Amounts**

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

Notes of Financial Statements June 30, 2023 (Continued)

## NOTE 8-GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

#### **Contributions**

The contribution requirements for the GLI Plan are governed by \$51.1-506 and \$51.1-508 of the <u>Code of Virginia</u>, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the Town were \$2,823 and \$2,975 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

# GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB

At June 30, 2023, the Town reported a liability of \$30,464 for their proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the Town's proportion was .00250% as compared to .00270% at June 30, 2021.

For the year ended June 30, 2023, the Town recognized GLI OPEB expense of \$4,177. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Notes of Financial Statements June 30, 2023 (Continued)

## NOTE 8-GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

# GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	-	Deferred Outflows of Resources	 Deferred Inflows of Resources
Differences between expected and actual experience	\$	2,412	\$ 1,222
Net difference between projected and actual earnings on GLI OPEB program investments		-	1,904
Change in assumptions		1,136	2,967
Changes in proportionate share		8,458	3,322
Employer contributions subsequent to the measurement date		2,823	 <u>-</u> _
Total	\$	14,829	\$ 9,415

\$2,823 reported as deferred outflows of resources related to the GLI OPEB resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June	30_	
2024	\$	2,425
2025		1,662
2026		(608)
2027		(219)
2028		(669)

#### Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Notes of Financial Statements June 30, 2023 (Continued)

## NOTE 8-GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

## Actuarial Assumptions: (Continued)

Inflation 2.50%

Salary increases, including inflation:

General state employees 3.50%-5.95% Locality - General employees 3.50%-5.35% Locality - Hazardous Duty employees 3.50%-4.75%

Investment rate of return 6.75%, net of investment expenses,

including inflation

## Mortality Rates - Non-Largest Ten Locality Employers - General Employees

#### Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

#### Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

#### Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

#### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

## Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Notes of Financial Statements June 30, 2023 (Continued)

## NOTE 8-GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

## Actuarial Assumptions: (Continued)

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

## Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

#### Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

#### Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

## Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

## Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

## Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Notes of Financial Statements June 30, 2023 (Continued)

## NOTE 8-GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

## Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

## Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

#### Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

#### Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

#### Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

#### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

#### Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Notes of Financial Statements June 30, 2023 (Continued)

## NOTE 8-GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

## **NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Program
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		2,467,989
Employers' Net GLI OPEB Liability (Asset)	\$	1,204,096
Plan Fiduciary Net Position as a Percentage	<del>=</del>	
of the Total GLI OPEB Liability		67.21%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

#### Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
Expect	ted arithmetic	nominal return*	7.83%

Notes of Financial Statements June 30, 2023 (Continued)

## NOTE 8-GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

## Long-Term Expected Rate of Return (Continued)

\*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\*\* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

#### Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

# Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

		Rate								
	1% Decrease		Current Discount	1% Increase						
		(5.75%)	(6.75%)	(7.75%)						
Town's Proportionate share of the										
Group Life Insurance Program										
Net OPEB Liability	\$	44,328 \$	30,464	\$ 19,259						

Notes of Financial Statements June 30, 2023 (Continued)

## NOTE 8-GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

## **GLI Plan Fiduciary Net Position**

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (ACFR). A copy of the 2023 VRS CAFR may be downloaded from the VRS website at <a href="http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf">http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf</a>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

#### NOTE 9-UNAVAILABLE/UNEARNED/DEFERRED REVENUES:

Unavailable/unearned/deferred revenues represent amounts for which, under the modified accrual basis of accounting, asset recognition criteria have been met, but for which revenue recognition criteria have not been met (i.e., such amounts are measurable, but not available). Under the accrual basis, assessments for future periods are deferred. At June 30, 2023 unavailable/deferred property tax revenues in the governmental funds totaled \$316,365.

#### **NOTE 10-FIDELITY BOND:**

Fidelity bond coverage with Virginia Municipal League during the fiscal year 2022 was as follows:

	-	Coverage
Public employees dishonesty coverage	\$	250,000

Notes to Financial Statements June 30, 2023 (Continued)

## NOTE 11-LINE OF DUTY ACT (LODA) (OPEB BENEFITS):

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by Title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The Town has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the Town to VACORP. VACORP assumes all liability for the Town's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The Town's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals.

#### NOTE 12—COMMITMENTS AND CONTINGENCIES:

While it is anticipated that the Water and Sewer Funds will be able to make the required payments to liquidate the Bonds Payable, in the event of a failure to do so the full faith and credit of the Town's General Fund will be obligated to meet any necessary payment shortfall.

## **NOTE 13-LITIGATION:**

At June 30, 2023, there were no matters of litigation involving the Town which would materially affect the Town's financial position should any court decisions on pending matters not be favorable to the Town.

#### NOTE 14—COVID-19:

#### **ARPA Funding**

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments were to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

On June 30, 2021, the Town received its share of the first half of the CSLFRF funds. The second half of these funds was received on July 19, 2022. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$991,597 from the initial allocation are reported as unearned revenue as of June 30, 2023.

Notes to Financial Statements June 30, 2023 (Continued)

#### NOTE 15—UPCOMING PRONOUNCEMENTS:

Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 101, Compensated Absences, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

# **Required Supplementary Information**

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with Accounting Principles Generally Accepted in the United States of America.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund For the Year Ended June 30, 2023

		General Fund						
	_	Original Budget		Final Budget		Actual		Variance with Final Budget - Positive (Negative)
Revenues:								
General property taxes Other local taxes Permits, privilege fees, and regulatory licenses Fines and forfeitures Revenue from the use of money and property Charges for service Miscellaneous Intergovernmental:	\$	202,403 757,840 3,250 26,300 24,000 85,000 20,500	\$	202,403 757,840 3,250 26,300 24,000 85,000 20,500	\$	219,681 838,887 1,425 17,753 72,002 77,883 47,242	\$	17,278 81,047 (1,825) (8,547) 48,002 (7,117) 26,742
Commonwealth		94,229		94,229		94,806		577
Federal	_	-		-	_	189,861		189,861
Total revenues	\$_	1,213,522	\$_	1,213,522	\$_	1,559,540	\$_	346,018
Expenditures: Current:								
General government administration Public safety Public works Community development	\$	463,764 192,038 324,509 43,950	\$	463,764 192,038 324,509 43,950	\$	670,834 146,029 296,047 36,160	\$ 	(207,070) 46,009 28,462 7,790
Total expenditures	\$_	1,024,261	\$_	1,024,261	\$_	1,149,070	\$_	(124,809)
Excess (deficiency) of revenues over expenditures	\$_	189,261	\$_	189,261	\$_	410,470	\$_	221,209
Net change in fund balance	\$	189,261	\$	189,261	\$	410,470	\$	221,209
Fund balances at beginning of year	_	(189,261)		(189,261)	_	618,267		807,528
Fund balances at end of year	\$_	-	\$ _	-	\$_	1,028,737	\$_	1,028,737

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Primary Government

Pension Plan

For the Measurement Dates of June 30, 2015 through June 30, 2022

	2022	2021		2020	2019
Total pension liability	 		_		 <u>.</u>
Service cost	\$ 51,343	44,861	\$	47,174	\$ 33,698
Interest	108,106	96,597		90,504	85,614
Differences between expected and actual experience	(16,269)	18,591		56,785	52,338
Changes in assumptions	-	58,133		-	36,342
Benefit payments, including refunds of employee contributions	 (81,223)	(116,812)		(91,581)	 (88,922)
Net change in total pension liability	\$ 61,957	101,370	\$	102,882	\$ 119,070
Total pension liability - beginning	 1,590,836	1,489,466		1,386,584	 1,267,514
Total pension liability - ending (a)	\$ 1,652,793	1,590,836	\$_	1,489,466	\$ 1,386,584
Plan fiduciary net position					
Contributions - employer	\$ 75,987	76,470	\$	78,083	\$ 61,957
Contributions - employee	24,984	42,408		26,805	20,466
Net investment income	(2,631)	260,241		17,623	57,902
Benefit payments, including refunds of employee contributions	(81,223)	(116,812)		(91,581)	(88,922)
Administrative expense	(737)	(627)		(575)	(565)
Other	29	25		(21)	(37)
Net change in plan fiduciary net position	\$ 16,409	261,705	\$ _	30,334	\$ 50,801
Plan fiduciary net position - beginning	 1,209,507	947,802		917,468	 866,667
Plan fiduciary net position - ending (b)	\$ 1,225,916	1,209,507	\$_	947,802	\$ 917,468
Town's net pension liability (asset) - ending (a) - (b)	\$ 426,877	381,329	\$	541,664	\$ 469,116
Plan fiduciary net position as a percentage of the total pension liability	74.17%	76.03%		63.63%	66.17%
pension natincy	74.17/0	70.03%		03.03%	00.17/0
Covered payroll	\$ 550,848 \$	561,476	\$	582,242	\$ 457,420
Town's net pension liability (asset) as a percentage of					
covered payroll	77.49%	67.92%		93.03%	102.56%

Schedule is intended to show information for 10 years. Information prior to the 2015 valuation is not available. However, additional years will be included as they become available.

_	2018		2017	_	2016		2015
\$	23,097	\$	7,393	\$	24,955	\$	25,004
,	79,975	•	79,620	•	88,453	•	88,963
	65,841		8,638		(161,984)		(25,232)
	-		(8,858)		-		
	(87,808)		(75,624)		(79,590)		(112,454)
ş <sup>—</sup>	81,105	\$	11,169	\$	(128,166)	\$	(23,719)
	1,186,409		1,175,240		1,303,406		1,327,125
\$ <sup></sup>	1,267,514	\$	1,186,409	\$	1,175,240	\$	1,303,406
=				=			
\$	43,742	\$	36,200	\$	49,795	\$	50,828
	15,035		12,233		10,837		11,328
	61,042		92,491		12,705		34,145
	(87,808)		(75,624)		(79,590)		(112,454)
	(541)		(550)		(486)		(512)
	(54)		(82)		(6)		(8)
\$	31,416	\$	64,668	\$	(6,745)	\$	(16,673)
	835,251		770,583		777,328		794,001
\$ _	866,667	\$	835,251	\$	770,583	\$	777,328
\$	400,847	\$	351,158	\$	404,657	\$	526,078
	68.38%		70.40%		65.57%		59.64%
\$	345,204	\$	276,115	\$	231,366	\$	236,530
	116.12%		127.18%		174.90%		222.41%

Schedule of Employer Contributions Pension Plan For the Years Ended June 30, 2014 through June 30, 2023

Date	 Contractually Required Contribution (1)*	_	Contributions in Relation to Contractually Required Contribution (2)*	_	Contribution Deficiency (Excess) (3)	 Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 71,365	\$	71,365	\$	-	\$ 522,709	13.65%
2022	75,986		75,986		-	550,848	13.79%
2021	72,091		72,091		-	561,476	12.84%
2020	78,083		78,083		-	582,242	13.41%
2019	61,957		61,957		-	457,420	13.54%
2018	43,742		43,742		-	345,204	12.67%
2017	38,131		38,131		-	276,115	13.81%
2016	50,207		50,207		-	231,366	21.70%
2015	51,327		51,327		-	236,530	21.70%
2014	31,392		31,392		-	231,845	13.54%

<sup>\*</sup>Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan

Notes to Required Supplementary Information Pension Plan For the Year Ended June 30, 2023

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

## All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

## All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of Town's Share of Net OPEB Liability Group Life Insurance (GLI) Plan For the Measurement Dates of June 30, 2017 through June 30, 2022

				Employer's	
				Proportionate Share	
		Employer's		of the Net GLI OPEB	
	Employer's	Proportionate		Liability (Asset)	Plan Fiduciary
	Proportion of the	Share of the	Employer's	as a Percentage of	Net Position as a
	Net GLI OPEB	Net GLI OPEB	Covered	Covered Payroll	Percentage of Total
Date	Liability (Asset)	Liability (Asset)	Payroll	(3)/(4)	GLI OPEB Liability
(1)	(2)	(3)	 (4)	(5)	(6)
Primary Go	overnment		_		
2022	0.002500% \$	30,464	\$ 550,848	5.53%	67.21%
2021	0.002700%	31,668	561,476	5.64%	67.45%
2020	0.002800%	47,228	582,242	8.11%	52.64%
2019	0.002300%	37,916	457,420	8.29%	52.00%
2018	0.001810%	27,000	345,204	7.82%	51.22%
2017	0.001500%	22,000	276,115	7.97%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions Group Life Insurance (GLI) Plan For the Years Ended June 30, 2014 through June 30, 2023

Date		Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)		Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Go	verr	ment		_			
2023	\$	2,823 \$	2,823	\$	-	\$ 522,709	0.54%
2022		2,975	2,975		-	550,848	0.54%
2021		3,032	3,032		-	561,476	0.54%
2020		3,028	3,028		-	582,242	0.52%
2019		2,378	2,378		-	457,420	0.52%
2018		1,795	1,795		-	345,204	0.52%
2017		1,436	1,436		-	276,115	0.52%
2016		1,111	1,111		-	231,366	0.48%
2015		1,135	1,135		-	236,530	0.48%
2014		1,113	1,113		-	231,845	0.48%

Notes to Required Supplementary Information Group Life Insurance (GLI) Plan For the Year Ended June 30, 2023

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

#### Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

## Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Other Supplementary Information

**Individual Fund Financial Statements** 

Exhibit 17

# Statement of Net Position Economic Development Authority June 30, 2023

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Current assets:

**NET POSITION** 

 Unrestricted
 \$ 12,637

 Total net position
 \$ 12,637

Statement of Revenues, Expenses, and Changes in Fund Net Position Economic Development Authority For the Year Ended June 30, 2023

Total net position - beginning	12,637
Total net position - ending	\$ 12,637

TOWN OF BOWLING GREEN, VIRGINIA	<b>TOWN</b>	OF	<b>BOWL</b>	.ING	GREEN.	VIRGINIA
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Exhibit 19

Statement of Cash Flows
<b>Economic Development Authority</b>
For the Year Ended June 30, 2023

Cash and investments - beginning Cash and investments - ending

**Supporting Schedules** 

Schedule of Revenues - Budget and Actual Governmental Funds For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source		Original Budget	Final Budget	Actual	Variance w Final Budge Positive (Negative	et -
General Fund:						
Revenue from local sources:						
General property taxes:						
Real property taxes	\$	166,310 \$	166,310	171,224	\$ 4,9	14
Real and personal public service corporation		2 220	2 220	2 002	(3	) T ( )
taxes		3,238 30,133	3,238	2,882	·	(56)
Personal property taxes Penalties		1,500	30,133 1,500	42,121 1,752	11,9	252
Interest		1,222	1,222	1,702		180
Total general property taxes	ς-	202,403 \$				
Total general property taxes	Ť-				·,2	<del></del>
Other local taxes:						
Local sales and use taxes	\$	30,000 \$	30,000	45,003	\$ 15,0	03
Consumers' utility taxes		30,000	30,000	30,655		55
Business license taxes		90,000	90,000	97,574	7,5	
Motor vehicle licenses		15,000	15,000	11,008	(3,9	
Bank stock taxes		339,840	339,840	300,960	(38,8	
Lodging tax		3,000	3,000	2,359	·	41)
Restaurant food taxes	_	250,000	250,000	351,328	101,3	28
Total other local taxes	\$_	757,840 \$	757,840	838,887	\$81,0	47
Permits, privilege fees, and regulatory licenses: Permits and other licenses Total permits, privilege fees, and regulatory licenses	\$_ \$	3,250 \$ 3,250 \$	3,250 S			
Fines and forfeitures:	_	27.200 6	27 200 7	47.753	c (0.5	. 47
Fines and penalties	\$_	26,300 \$	26,300			
Total fines and forfeitures	\$_	26,300 \$	26,300	17,753	\$ (8,5	4/)
Revenue from use of money and property:						
Revenue from use of money	\$	5,000 \$	5,000	44,512	\$ 39,5	12
Revenue from use of property		19,000	19,000	27,490	8,4	
Total revenue from use of money and property	\$	24,000 \$	24,000	72,002	\$ 48,0	02
Charges for services:		o= ooo	0= 000 4		<b>.</b>	
Charges for sanitation and waste removal	\$_	85,000 \$	85,000			
Total charges for services	\$_	85,000 \$	85,000	77,883	\$ (7,1	<u>17)</u>
Miscellaneous:						
Miscellaneous	\$	5,500 \$	5,500 \$	26,700	\$ 21,2	:00
Harvest festival	4	15,000	15,000	20,542	5,5	
Total miscellaneous	<b>\$</b> _	20,500 \$	20,500			
	`-		-,			
Total revenue from local sources	\$_	1,119,293 \$	1,119,293	1,274,873	\$ 155,5	80

Schedule of Revenues - Budget and Actual Governmental Funds For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source		Original Budget		Final Budget		Actual		Variance with Final Budget - Positive (Negative)
General Fund: (continued)								
Intergovernmental:								
Revenue from the Commonwealth:								
Noncategorical aid:								
Personal property tax relief funds	\$	21,900	\$	21,900	\$	21,908	\$	8
Telecommunications tax		31,500		31,500	_	28,295	_	(3,205)
Total noncategorical aid	\$_	53,400	\$_	53,400	\$_	50,203	\$_	(3,197)
Categorical aid:								
Other categorical aid:								
Fire program funds	\$	15,000	\$	15,000	\$	15,000	\$	-
Local law enforcement assistance		24,500		24,500		28,008		3,508
Litter control grant		1,329		1,329		1,595	_	266
Total other categorical aid	\$_	40,829	\$_	40,829	\$_	44,603	\$_	3,774
Total categorical aid	\$_	40,829	\$_	40,829	\$_	44,603	\$_	3,774
Total revenue from the Commonwealth	\$_	94,229	\$_	94,229	\$_	94,806	\$_	577
Revenue from the federal government: Categorical aid:								
USDA rural development grant funds	\$	-	\$	-	\$	81,800	\$	81,800
ARPA		-	_	-		108,061		108,061
Total categorical aid	\$_	-	\$_	-	\$_	189,861	\$_	189,861
Total revenue from the federal government	\$_	-	\$_	-	\$_	189,861	\$_	189,861
Total General Fund	\$_	1,213,522	\$_	1,213,522	\$_	1,559,540	\$_	346,018
Total Primary Government	\$_	1,213,522	\$_	1,213,522	\$_	1,559,540	\$_	346,018

Schedule of Expenditures - Budget and Actual Governmental Funds For the Year Ended June 30, 2023

Fund, Function, Activity and Elements		Original Budget		Final Budget		Actual	 Variance with Final Budget - Positive (Negative)
General Fund:							
General government administration:							
Legislative:							
Council services	\$_	20,350	\$_	20,350	\$_	16,446	\$ 3,904
General and financial administration:							
Advertising	\$	5,000	\$	5,000	\$	9,892	\$ (4,892)
Information technology		15,000		15,000		8,843	6,157
Insurance		20,000		20,000		35,174	(15,174)
Materials and supplies		2,500		2,500		1,401	1,099
COVID-19 expenses		-		-		108,021	(108,021)
Miscellaneous administrative		28,175		28,175		108,448	(80,273)
Personnel		124,681		124,681		155,505	(30,824)
Professional development		3,900		3,900		83	3,817
Professional services		37,000		37,000		39,500	(2,500)
Telecommunications		1,200		1,200		546	654
Total general and financial administration	\$_	237,456	\$_	237,456	\$_	467,413	\$ (229,957)
Office of Town Treasurer:							
Audit and accounting	\$	33,000	\$	33,000	\$	5,220	\$ 27,780
Information technology		25,000		25,000		15,668	9,332
Materials and supplies		3,000		3,000		2,114	886
Miscellaneous		4,800		4,800		6,256	(1,456)
Office equipment		6,000		6,000		3,522	2,478
Personnel		123,158		123,158		149,300	(26,142)
Postage		5,000		5,000		2,913	2,087
Professional development		2,500		2,500		768	1,732
Telecommunications		3,500		3,500		1,214	2,286
Total office of town treasurer	\$_	205,958	\$_	205,958	\$_	186,975	\$ 18,983
Total general government administration	\$_	463,764	\$_	463,764	\$_	670,834	\$ (207,070)

Schedule of Expenditures - Budget and Actual Governmental Funds For the Year Ended June 30, 2023

Fund, Function, Activity and Elements		Original Budget		Final Budget		Actual		Variance with Final Budget - Positive (Negative)
General Fund: (Continued)								
Public safety:								
Law enforcement and traffic control:	_						_	
Equipment	\$	5,000	\$	5,000	\$	584	\$	4,416
Fuel		5,000		5,000		6,513		(1,513)
Maintenance and repairs		3,700		3,700		2,221		1,479
Materials and supplies		1,000		1,000		230		770
Miscellaneous		3,000		3,000		3,267		(267)
Personnel		143,988		143,988		128,077		15,911
Professional development		3,500		3,500		1,171		2,329
Professional services		1,050		1,050		625		425
Telecommunications		4,000		4,000		1,222		2,778
Uniforms		3,000		3,000		1,080		1,920
Utilities		1,800		1,800		1,039		761
Total law enforcement and traffic control	\$_	175,038	\$_	175,038	\$_	146,029	\$	29,009
Fire and rescue services:								
Volunteer fire and rescue department	\$	17,000	\$	17,000	\$	-	\$	17,000
Total public safety	\$_	192,038	\$_	192,038	\$	146,029	\$	46,009
Public works:								
Fuel	\$	3,000	\$	3,000	\$	3,134	\$	(134)
Insurance		6,000		6,000		3,894		2,106
Litter control		1,200		1,200		1,200		-
Maintenance and repairs		24,500		24,500		13,181		11,319
Materials and supplies		1,725		1,725		976		749
Miscellaneous		500		500		86		414
Personnel		120,084		120,084		134,597		(14,513)
Professional development		500		500		250		250
Refuse collection		98,500		98,500		68,743		29,757

Schedule of Expenditures - Budget and Actual Governmental Funds For the Year Ended June 30, 2023

Fund, Function, Activity and Elements		Original Budget		Final Budget		Actual		Variance with Final Budget - Positive (Negative)
General Fund: (Continued)								
Public works: (Continued)								
Telecommunications	\$	1,500	\$	1,500	\$	387	\$	1,113
Town Hall		35,000		35,000		35,705		(705)
Uniforms and safety equipment		5,500		5,500		15,994		(10,494)
Utilities		26,500		26,500		17,900		8,600
Total public works	\$_	324,509	\$	324,509	\$_	296,047	\$	28,462
Community development:								
Harvest festival	\$	33,500	\$	33,500	\$	26,383	\$	7,117
Miscellaneous		2,450		2,450		1,750		700
Other events		8,000		8,000		8,027		(27)
Total community development	\$_	43,950	\$	43,950	\$	36,160	\$	7,790
Total General Fund	\$_	1,024,261	\$	1,024,261	\$_	1,149,070	\$	(124,809)
Capital Projects Fund:								
Capital projects and capital outlays:								
Vehicles	\$_	45,000	\$_	45,000	\$_	-	\$_	45,000
Total Capital Projects Fund	\$_	45,000	\$	45,000	\$_	-	\$	45,000
Total Primary Government	\$_	1,069,261	\$	1,069,261	\$_	1,149,070	\$	(79,809)

# **Compliance**



# ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements

Performed in Accordance with Government Auditing Standards

To the Honorable Members of the Town Council Town of Bowling Green Bowling Green, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units and each major fund of the Town of Bowling Green, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Bowling Green, Virginia's basic financial statements, and have issued our report thereon dated October 6, 2025.

# Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Bowling Green, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Bowling Green, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Bowling Green, Virginia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bowling Green, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

# Town of Bowling Green, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Town of Bowling Green, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Town of Bowling Green, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

# Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richmond, Virginia October 6, 2025

Robinson, Farm, Cex Assocrates

Schedule of Findings and Responses Year Ended June 30, 2023

#### Section I - Summary of Auditors' Results

#### **Financial Statements**

Type of auditors' report issued:

Internal control over financial reporting:
 Material weakness(es) identified?
 Significant deficiency(ies) identified?

Noncompliance material to financial statements noted?

Unmodified

Yes

No

#### Section II - Financial Statement Findings

#### 2023-001: Material Weakness - Material Audit Adjustments Proposed by the External Auditors

#### Criteria:

Identification of a material adjustment to the financial statements that was not detected by the Town's internal controls indicates that a material weakness may exist.

#### Condition:

The financial statements required material adjustments proposed by the Auditors to ensure such statements complied with Generally Accepted Accounting Principles (GAAP). Material audit adjustments were proposed to several accounts and financial statement groups including Debt, Unearned Revenue, Receivables, Capital Assets, Deferred Taxes, and Revenues to be in accordance with Generally Accepted Accounting Principles.

#### Cause:

The Town's internal controls in place to capture and record all necessary balances in the automated accounting system were not adequate for the year ended June 30, 2023.

#### Effect:

There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

#### Recommendation:

We recommend that the Town strengthen internal controls to capture and record all balances accurately in accordance with General Accepted Accounting Principles and eliminate the need for material audit adjustments. In addition, capturing and recording all necessary balances in the accounting system will assist Management and those charged with governance in their decision making for the Town.

# Management's Response:

Management concurs with this recommendation and will strengthen internal controls related to capturing and recording all necessary balances in accordance with the General Accepted Accounting Principles.

Schedule of Findings and Responses (Continued) Year Ended June 30, 2023

#### Section II - Financial Statement Findings: (Continued)

#### 2023-002: Material Weakness - Trial Balance Does Not Reconcile to Accounting System

#### Criteria:

Internal control standards and sound financial reporting practices require that the trial balance used for financial statement preparation reconcile to the underlying accounting system. A proper reconciliation ensures accuracy and completeness of reported balances.

# Condition:

The trial balance provided for audit did not reconcile to the accounting system.

#### Cause:

The trial balance was compiled from the two different accounting systems being utilized during the fiscal year, neither of which are complete.

#### Effect:

There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

#### Recommendation:

We recommend that the Town utilize only one accounting system to record financial transactions to ensure that all transactions are recorded in single accounting system.

#### Management's Response:

Management agrees with the recommendation. The Town is planning to utilize the Keystone accounting system in the future.

Schedule of Findings and Responses (Continued) Year Ended June 30, 2023

#### 2023-003: Material Weakness - No Financial Policies

#### Criteria:

Best practices in governmental accounting, as outlined by the Government Finance Officers Association (GFOA), require that local governments establish and maintain written financial policies. Written policies provide guidance for consistent decision-making, strengthen accountability, and support compliance with applicable laws and regulations.

#### Condition:

The Town does not have any written financial policies governing key areas such as budgeting, cash management, procurement, debt management, or fund balance usage.

#### Cause:

Management has not developed or formally adopted financial policies to guide financial operations.

#### Effect:

Without written financial policies, the Town is at increased risk of inconsistent practices, weakened internal controls, and reduced transparency in financial decision-making. The absence of such policies may also increase the risk of errors, noncompliance with regulations, and challenges in ensuring continuity of financial management during personnel changes.

#### Recommendation:

We recommend that the Town develop and formally adopt comprehensive written financial policies covering all key financial management areas, including budgeting, cash and investment management, procurement, debt management, and fund balance. These policies should be periodically reviewed and updated by management and approved by the governing body to ensure continued relevance and effectiveness.

#### Management's Response:

Management agrees with the recommendation. The Town is planning to develop written policies in FY24.

# TOWN OF BOWLING GREEN PROPOSED CABLE FRANCHISE AGREEMENT REQUEST FOR BIDS AND NOTICE OF PUBLIC HEARING

Comcast Cable Communications Management, LLC, has submitted a proposed cable franchise agreement to the Town for consideration by the Town Council. Pursuant to applicable state and federal law, Town Council hereby provides public notice of the proposed agreement. Other entities are invited to submit bids requesting a franchise to provide cable television services in the Town. Bids should be submitted to the Town Manager prior to the November 6, 2025, Town Council meeting. At the meeting Council will announce each of the bids that have been received and ask if any further bids are offered at that time.

After the announcement of received bids, and prior to consideration and approval of one or more cable franchise agreements, Council will hold a public hearing at or soon after 6:00 p.m. on Thursday, November 6, 2025, in Council Chambers, located in the Bowling Green Town Hall, 117 Butler Street, Bowling Green, Virginia. Any person interested in providing public comment may appear at the hearing and present their views. Currently, Breezeline, LLC, is the only entity operating in the Town under a non-exclusive cable franchise agreement.

A copy of the proposed Comcast agreement is available for public review in the Town Offices during regular business hours. Written comments may be submitted in advance of the meeting to the Town Clerk at townclerk@townofbowlinggreenva.gov. Requests for special assistance should be made to the Town on or before November 3. 2025, and

should specify the nature of the assistance required.

#### TOWN OF BOWLING GREEN, VIRGINIA

India Adams-Jacobs, MPA, ICMA-CM, Town Manager/Clerk COL-3001654

# CABLE FRANCHISE AGREEMENT

# **BETWEEN**

TOWN OF BOWLING GREEN, VIRGINIA

AND

COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC

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# FRANCHISE AGREEMENT

This Franchise Agreement (hereinafter, the "Agreement" or "Franchise Agreement") is made between the Town of Bowling Green, a political subdivision of the Commonwealth of Virginia (hereinafter, "Town" or "Franchise Authority") and Comcast Cable Communications Management, LLC (hereinafter, "Franchisee").

The Town having determined that the financial, legal, and technical ability of the Franchisee is reasonably sufficient to provide the services, facilities, and equipment necessary to meet the future cable-related needs of the community, desires to enter into this Franchise Agreement with the Franchisee for the construction, operation, and maintenance of a Cable System on the terms and conditions set forth herein.

# **SECTION 1 - Definition of Terms**

For the purpose of this Franchise Agreement, capitalized terms, phrases, words, and abbreviations shall have the meanings ascribed to them in the Code of Virginia, Article 1.2, §15.2-2108.19, and the Cable Communications Policy Act of 1984, as amended from time to time, 47 U.S.C. §§521 - 573 (the "Cable Act"), unless otherwise defined herein. When not inconsistent with the context, words used in the present tense include the future, words used to refer to the masculine include the feminine, words in the plural number include the singular number, and likewise, words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined in the Code of Virginia, Article 1.2, §15.2-2108.19, the Cable Act, or herein shall be given their common and ordinary meaning.

- 1.1. "Cable Service" or "Service" shall mean the one-way transmission to Subscribers of Video Programming or other Programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other Programming service.
- 1.2. "Cable System" or "System" shall mean a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within the Franchise Area, and as further defined under Section 47 U.S.C. §522(7) of the Cable Act.
  - 1.3. "Effective Date" shall mean 2025.
- 1.4. "FCC" shall mean the Federal Communications Commission, or successor governmental entity thereto.
- 1.5. "Franchise" shall mean the initial authorization, or renewal thereof, issued by the Franchise Authority, whether such authorization is designated as a franchise,

agreement, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes the construction and operation of the Cable System.

- 1.6. "Franchise Agreement" or "Agreement" shall mean this Agreement and any amendments or modifications hereto.
- 1.7. "Franchise Area" shall mean the present legal boundaries of the Town of Bowling Green, as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means during the term of the Franchise, as per the requirements set forth herein.
- 1.8. "Franchise Authority" shall mean the Town of Bowling Green or the lawful successor, transferee, designee, or assignee thereof.
- 1.9. "Franchisee" shall mean Comcast Cable Communications Management, LLC.
- 1.10. "Person" shall mean any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether forprofit or not-for profit, but shall not mean the Franchise Authority.
- 1.11. "Public Way" shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle, park, bridge, waterway, dock, bulkhead, wharf, pier, other public ground or water subject to the jurisdiction and control of the Franchise Authority, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or easements dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchise Authority in the Franchise Area, which shall entitle the Franchisee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Franchise Authority within the Franchise Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchisee to the use thereof for the purposes of installing, operating, and maintaining the Franchisee's Cable System over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and appurtenant to the Cable System.
- 1.12. "Standard Installation" shall mean the standard one hundred twenty-five foot (125') aerial Drop connection to the existing distribution system.
- 1.13. "Subscriber" shall mean a Person or user of the Cable System who lawfully receives Cable Service therefrom with the Franchisee's express permission.

- 1.14. "Town" shall mean the Town of Bowling Green or the lawful successor, transferee, designee, or assignee thereof.
- 1.15. "Video Programming" or "Programming" shall mean the programming provided by, or generally considered comparable to programming provided by, a television broadcast station.
- 1.16. "Video Service Provider" or "VSP" shall mean any entity using the public rights-of-way to provide multiple Video Programming services to subscribers, for purchase or at no cost, regardless of the transmission method, facilities, or technology used. A VSP shall include but is not limited to any entity that provides cable services, multi-channel multipoint distribution services, broadcast satellite services, satellite-delivered services, wireless services, and Internet-Protocol based services.

# **SECTION 2 - Grant of Authority**

- 2.1. <u>Franchise Grant.</u> The Franchise Authority hereby grants to the Franchisee under the Code of Virginia and the Cable Act a non-exclusive Franchise authorizing the Franchisee to construct and operate a Cable System in the Public Ways within the Franchise Area, and for that purpose to use, erect, install, construct, repair, alter, inspect, replace, reconstruct, maintain, or retain in any Public Way such poles, wires, cables, conductors, ducts, underground conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and, including but not limited to, above ground enclosures, markers, and concrete pads, and other related property, equipment, or fixtures as may be necessary, useful, or appurtenant to the Cable System, and to provide such services over the Cable System as may be lawfully allowed.
- 2.2. <u>Term of Franchise</u>. The term of the Franchise granted hereunder shall be ten (10) years, commencing upon the Effective Date of the Franchise, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement, the Code of Virginia, and the Cable Act.
- 2.3. <u>Renewal</u>. Any renewal of this Franchise Agreement shall be governed by and comply with the provisions of Article 1.2 of the Code of Virginia and Section 626 of the Cable Act [47 U.S.C. §546], as amended.

# **SECTION 3 - Construction and Maintenance of the Cable System**

3.1. <u>Permits and General Obligations</u>. The Franchisee shall be responsible for obtaining all generally applicable permits, licenses, or other forms of approval or authorization prior to the commencement of any activity that materially disturbs the surface of any street, curb, sidewalk or other public improvement in the Public Way, or impedes vehicular traffic. Franchisee may utilize micro-trenching when placing facilities underground. The issuance of such permits shall not be unreasonably withheld,

conditioned, or delayed. Construction, installation, and maintenance of the Cable System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. All work shall be done by the Franchisee in accordance with FCC regulations. Notwithstanding the requirements herein, Franchisee shall not be required to obtain a permit for individual drop connections to Subscribers, servicing or installing pedestals or other similar facilities, or other instances of routine maintenance or repair to its Cable System. All transmission and distribution structures, poles, other lines, and equipment installed by the Franchisee for use in the Cable System in accordance with the terms and conditions of this Franchise Agreement shall be located so as to minimize the interference with the proper use of the Public Ways and the rights and reasonable convenience of property owners who own property that adjoins any such Public Ways.

# 3.2. Conditions of Street Occupancy.

- 3.2.1. New Grades or Lines. If the grades or lines of any Public Way within the Franchise Area are lawfully changed at any time during the term of this Franchise Agreement, then the Franchisee shall, upon reasonable advance written notice from the Franchise Authority (which shall not be less than thirty (30) business days) and at its own cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with any such new grades or lines. If public funds are available to any other user of the Public Way for the purpose of defraying the cost of any of the foregoing, the Franchise Authority shall notify Franchisee of such funding and make available such funds to the Franchisee within a reasonable timeframe. If funds are not available, Franchisee reserves the right to pass its costs through to its Subscribers in accordance with applicable law.
- 3.2.2. Relocation at Request of Third Party. The Franchisee shall, upon reasonable prior written request of any Person holding a permit issued by the Franchise Authority to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Franchisee may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Franchisee is given not less than thirty (30) business days advance written notice to arrange for such temporary relocation.
- 3.2.3. <u>Restoration of Public Ways</u>. If in connection with the construction, operation, maintenance, or repair of the Cable System, the Franchisee disturbs, alters, or damages any Public Way, the Franchisee agrees that it shall at its own cost and expense replace and restore any such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to the disturbance as is practical.
- 3.2.4. <u>Safety Requirements</u>. The Franchisee shall undertake all necessary and appropriate commercial efforts to maintain its work sites in a safe manner in order to prevent failures and accidents that may cause damage, injuries or nuisances. All work undertaken on the Cable System shall be performed in substantial accordance with applicable FCC or other federal and state regulations. The Cable System shall not

unreasonably endanger or interfere with the safety of Persons or property in the Franchise Area.

- 3.2.5. <u>Trimming of Trees and Shrubbery</u>. The Franchisee shall have the authority to trim trees or other natural vegetative growth encroaching or overhanging any of its Cable System in the Franchise Area so as to prevent contact with the Franchisee's wires, cables, or other equipment. All such trimming shall be done at the Franchisee's sole cost and expense. The Franchisee shall be responsible for any collateral, direct real property damage caused by such trimming.
- 3.2.6. Aerial and Underground Construction. At the time of Cable System construction, if all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Franchisee shall place its Cable System transmission and distribution facilities underground, provided that such underground locations are capable of accommodating the Franchisee's cable and other equipment without technical degradation of the Cable System's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Franchisee shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground. Nothing in this Agreement shall be construed to require the Franchisee to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment.
- 3.2.7. <u>Undergrounding and Beautification Projects</u>. If all users of the Public Way relocate aerial facilities underground as part of an undergrounding or neighborhood beautification project, Franchisee shall participate in the planning for relocation of its aerial facilities contemporaneously with other utilities. Franchisee's relocation costs shall be included in any computation of necessary project funding by the Franchise Authority or private parties. Franchisee shall be given reasonable notice and access to the public utilities' facilities at the time that such facilities are placed underground and shall be entitled to reimbursement of its relocation costs from public or private funds raised for the project and made available to other users of the Public Way. If public and/or private funds are not available or do not cover the entire direct and actual cost of the relocation, Franchisee reserves the right to pass its costs, or in the case of partial reimbursement from public and/or private funds its incremental cost, through to its Subscribers in accordance with applicable law.

# **SECTION 4 - Service Obligations**

4.1. <u>General Service Obligation</u>. Subject to the receipt of all necessary easements, permits, pole licenses, and required authorizations, Franchisee shall use commercially reasonably efforts to construct the Cable System and make Cable Service available to occupied residential dwelling units within its Initial Build Area within three (3)

years of the Effective Date of this Agreement. In the event that construction is delayed by factors outside of Franchisee's control, including weather, make-ready delays by other companies, or other factors identified as Force Majeure, Franchisee shall provide a written request for an extension of time to complete the Initial Build Area, which request shall not be unreasonably denied. The provision of Cable Service may require, in certain situations, a capital contribution in aid of construction from Subscribers, including but not limited to Subscriber requests to locate cable drops underground or the existence of more than one hundred fifty (150) feet drop distance from Franchisee's distribution cable to a dwelling unit. The construction of the Cable System pursuant to this Agreement depends upon the Franchisee's ability to obtain all necessary easements and access to poles in a timely manner and on acceptable and reasonable terms. In the event Franchisee is unable to obtain such rights in a timely manner or on acceptable and reasonable terms, Franchisee may decline to construct all or part of the Cable System and shall notify the Town of the termination of this Agreement or the resulting change in the service area.

Nothing herein shall preclude Franchisee from constructing additional Cable System facilities or making Cable Service available to additional residential dwelling units at its discretion. Franchisee shall, however, not be obligated to construct additional Cable System facilities and/or make Cable Service available beyond the Initial Build Area.

- 4.2. <u>Cable Service to Government and Institutional Facilities</u>. Subject to applicable law, the Franchisee shall provide one (1) service outlet activated for Basic Service to each facility listed in Exhibit A. To the extent so provided by applicable law, the cost of such service constitutes a Franchise Fee assessed upon the Franchisee and shall be invoiced for payment, with the cost of the services being disclosed to the Town in advance. Franchisee shall notify the Town in writing regarding the amount of the monthly service fee for each account. The Town shall then notify Franchisee, within thirty (30) days of receiving the Franchisee's notice, whether it desires the amount due each month to be invoiced for payment or to have service terminated. Franchisee shall also be permitted to recover from any facility owner the direct cost of installing, when requested to do so, more than one outlet, or concealed inside wiring, or a service outlet requiring more than one hundred twenty-five (125) feet of drop cable.
- 4.3. <u>Programming</u>. The Franchisee shall offer to all Customers a diversity of Video Programming in accordance with applicable federal law.
- 4.4. <u>No Discrimination</u>. Neither the Franchisee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area; provided, however, Franchisee reserves the right to deny service for good cause, including but not limited to non-payment or theft of service, vandalism of equipment, or documented or founded harassment or abuse of Franchisee's employees or agents. It shall be the right of all Persons to receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Franchisee are satisfied. Nothing contained herein shall prohibit the Franchisee from offering bulk

discounts, promotional discounts, package discounts, or other such pricing strategies as part of its customary business practice.

- 4.5. New Developments. The Franchise Authority shall provide the Franchisee with written notice of the issuance of building or development permits for planned developments within the Franchise Area requiring undergrounding of cable facilities. The Franchise Authority agrees to require the developer, as a condition of issuing the permit, to give the Franchisee access to open trenches for deployment of cable facilities and at least fifteen (15) business days written notice of the date of availability of open trenches.
- 4.6. <u>Prohibition Against Reselling Service</u>. No Person shall sell, offer for sale, or resell, without the express prior written consent of the Franchisee, any Cable Service, program or signal transmitted over the Cable System by the Franchisee.

# **SECTION 5 - Fees and Charges to Customers**

5.1. All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Franchisee or any affiliated Person for any Cable Service as of the Effective Date shall be in accordance with applicable FCC rate regulations. Before any new or modified rate, fee, or charge is imposed, the Franchisee shall follow the applicable FCC notice requirements and rules and notify affected Subscribers, which notice may be by any means permitted under applicable law.

# SECTION 6 - Customer Service Standards; Customer Bills; and Privacy Protection

- 6.1. <u>Customer Service Standards</u>. The Franchise Authority hereby adopts the customer service standards set forth in Part 76, 47 C.F.R. §76.309 of the FCC's rules and regulations, as amended. The Franchisee shall comply in all respects with the customer service requirements established by the FCC.
- 6.2. <u>Customer Bills</u>. Subscriber bills shall be designed in such a way as to present the information contained therein clearly and comprehensibly to Subscribers, and in a way that (i) is not misleading and (ii) does not omit material information. Notwithstanding anything to the contrary in Section 6.1, above, the Franchisee may, in its sole discretion, consolidate costs on Subscriber bills as may otherwise be permitted by Section 622(c) of the Cable Act [47 U.S.C. §542 (c)].
- 6.3. <u>Privacy Protection</u>. The Franchisee shall comply with all applicable federal and state privacy laws, including Section 631 of the Cable Act and regulations adopted pursuant thereto.

# **SECTION 7 - Oversight and Regulation by Franchise Authority**

- 7.1. <u>Communications Tax</u>. Franchisee shall comply with the provisions of Section 58.1-645 *et seq*. of the Code of Virginia, pertaining to the Virginia Communications Sales and Use Tax, as amended. Franchisee may designate the Virginia Communications Sales and Use tax as a separate item in any bill to a Subscriber as permitted under applicable law.
- 7.2. Oversight of Franchise. In accordance with applicable law, the Franchise Authority shall have the right to, at its sole cost and expense and upon reasonable prior written notice and in the presence of Franchisee's employee, periodically inspect the construction and maintenance of the Cable System in the Franchise Area as necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement.
- 7.3. <u>Technical Standards</u>. The Franchisee shall comply with all applicable technical standards of the FCC. To the extent those standards are altered, modified, or amended during the term of this Franchise, the Franchisee shall comply with such altered, modified or amended standards within a commercially reasonable period after such standards become effective.

# 7.4. Maintenance of Books, Records, and Files.

- 7.4.1. <u>Books and Records</u>. Upon reasonable prior written notice to the Franchisee, the Franchise Authority may review the Franchisee's books and records as are reasonably necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement, at the Franchisee's business office, during Normal Business Hours, and without unreasonably interfering with Franchisee's business operations. All such documents that may be the subject of an inspection by the Franchise Authority shall be retained by the Franchisee for a minimum period of twenty-four (24) months.
- 7.4.2. <u>File for Public Inspection</u>. Throughout the term of this Franchise Agreement, the Franchisee shall maintain for public inspection those documents required pursuant to the FCC's Public Inspection File rules and regulations.
- 7.4.3. Proprietary Information. Notwithstanding anything to the contrary set forth in this Section, the Franchisee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchise Authority agrees to treat any information disclosed by the Franchisee as confidential and only to disclose it to those employees, representatives, and agents of the Franchise Authority that have a need to know in order to enforce this Franchise Agreement and who agree, through the execution of a non-disclosure agreement, to maintain the confidentiality of all such information. The Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act or any other applicable federal or state privacy law. For purposes of this Section, the terms "proprietary or confidential" include, but are not limited to, information relating to the Cable System design, Subscriber lists, marketing plans, financial information unrelated to the calculation of rates pursuant to FCC rules, or

other information that is reasonably determined by the Franchisee to be competitively sensitive. Franchisee may make proprietary or confidential information available for inspection, but not copying or removal of information by the Franchise Authority's representative. If the Franchise Authority has in its possession and receives a request under a state "sunshine," public records, or similar law for the disclosure of information the Franchisee has designated as confidential, trade secret or proprietary, the Franchise Authority shall notify Franchisee of such request and cooperate with Franchisee in opposing such request.

# **SECTION 8 - Transfer of Cable System or Franchise**

8.1. Neither the Franchisee nor any other Person may transfer the Cable System or the Franchise without prior written notice to the Franchise Authority. No prior notice shall be required, however, for: (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Franchisee in the Franchise or in the Cable System in order to secure indebtedness, (ii) a transfer to an entity directly or indirectly owned or controlled by Comcast Corporation or an affiliate, or (iii) the sale, conveyance, transfer, exchange or release of fifty percent (50%) or less of its equitable ownership.

# **SECTION 9 - Insurance and Indemnity**

- 9.1. <u>Insurance</u>. Throughout the term of this Franchise Agreement, the Franchisee shall, at its own cost and expense, maintain Commercial General Liability Insurance and, upon written request, provide the Franchise Authority certificates of insurance designating the Franchise Authority and its officers, boards, commissions, councils, elected officials, and employees as additional insureds and demonstrating that the Franchisee has obtained the insurance required in this Section. Such policy or policies shall be in the minimum amount of One Million Dollars (\$1,000,000.00) per occurrence for bodily injury or property damage. The Franchisee shall provide workers' compensation coverage in accordance with applicable law.
- 9.2. <u>Indemnification</u>. The Franchisee shall indemnify, defend and hold harmless the Franchise Authority, its officers and employees acting in their official capacities from and against any liability or claims resulting from property damage or bodily injury (including accidental death) that directly arise out of the Franchisee's construction, operation, maintenance, or removal of the Cable System, including, but not limited to, reasonable attorneys' fees and costs, provided that the Franchise Authority shall give the Franchisee timely written notice of its obligation to indemnify and defend the Franchise Authority within ten (10) business days of receipt of a claim or action pursuant to this Section. The Franchise Authority agrees that it will take all necessary action to avoid a default judgment and not prejudice the Franchisee's ability to defend the claim or action. If the Franchise Authority determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchise Authority.

9.2.1 Franchisee shall not be required to indemnify the Franchise Authority for negligence or misconduct on the part of the Franchise Authority or its officials, boards, commissions, agents, or employees, including any loss or claims related to PEG access Channels in which the Franchise Authority or its designee participates, subject to applicable law.

# **SECTION 10 - System Description and Service**

10.1. <u>System Capacity</u>. During the term of this Agreement, the Franchisee's Cable System shall be capable of providing Video Programming with reception available to its Subscribers in the Franchise Area in accordance with the Cable Act.

# **SECTION 11 - Enforcement and Revocation Proceedings**

- 11.1. <u>Notice of Violation or Default and Opportunity to Cure</u>. In the event the Franchise Authority believes that the Franchisee has not complied with the material terms of the Franchise, it shall notify the Franchisee in writing with specific details regarding the exact nature of the alleged non-compliance or default.
- 11.1.1. <u>Franchisee's Right to Cure or Respond</u>. The Franchisee shall have forty-five (45) days from the receipt of the Franchise Authority's written notice: (i) to respond to the Franchise Authority, contesting the assertion of non-compliance or default; or (ii) to cure such default; or (iii) in the event that, by nature of the default, such default cannot be cured within the forty-five (45) day period, initiate commercially reasonable steps to diligently remedy such default and notify the Franchise Authority of the steps being taken and the projected date that the cure will be completed.
- 11.1.2. <u>Public Hearings</u>. In the event the Franchisee fails to respond to the Franchise Authority's notice or in the event that the alleged default is not remedied within forty five (45) days or the date projected by the Franchisee, the Franchise Authority shall schedule a public hearing to investigate the default. Such public hearing shall be held at the next regularly scheduled meeting of the Franchise Authority that is scheduled at a time that is no less than ten (10) business days therefrom. The Franchise Authority shall notify the Franchisee in advance, in writing of the time and place of such meeting and provide the Franchisee with a reasonable opportunity to be heard.
- 11.1.3. <u>Enforcement</u>. Subject to applicable federal and state law, in the event the Franchise Authority, after such public hearing, determines that the Franchisee is in default of any material provision of the Franchise, the Franchise Authority may: (i) seek specific performance of any provision that reasonably lends itself to such remedy as an alternative to damages, or seek other equitable relief; or (ii) in the case of a substantial default of a material provision of the Franchise, initiate revocation proceedings in accordance with the following:

- (a) The Franchise Authority shall give written notice to the Franchisee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Franchisee, including two or more instances of substantial noncompliance with a material provision of the Franchise. The notice shall set forth with specificity the exact nature of the non-compliance. The Franchisee shall have ninety (90) business days from the receipt of such notice to object in writing and to state its reasons for such objection. In the event the Franchise Authority has not received a response from the Franchisee or upon receipt of the response does not agree that the allegations of non-compliance have been or will be resolved, it may then seek revocation of the Franchise at a public hearing. The Franchise Authority shall cause to be served upon the Franchisee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to request revocation of the Franchise.
- (b) At the designated public hearing, the Franchise Authority shall give the Franchisee an opportunity to state its position on the matter, present evidence and question witnesses, in accordance with the standards of a fair hearing applicable to administrative hearings in the Commonwealth of Virginia, after which it shall determine whether or not the Franchise shall be terminated. The public hearing shall be on the record and a written transcript shall be made available to the Franchisee within ten (10) business days. The decision of the Franchise Authority shall be in writing and shall be delivered to the Franchisee by certified mail. The Franchisee may appeal such determination to an appropriate court, which shall have the power to review the decision of the Franchise Authority "de novo" and to modify or reverse such decision as justice may require.
- 11.2. <u>Technical Violation</u>. The Franchise Authority agrees that it is not its intention to subject the Franchisee to penalties, fines, forfeitures or revocation of the Franchise for so-called "technical" breach(es) or violation(s) of the Franchise, which shall include, but not be limited, to the following:
- 11.2.1. in instances or for matters where a violation or a breach of the Franchise by the Franchise was good faith error that resulted in no or minimal negative impact on the Subscribers within the Franchise Area; or
- 11.2.2. where there existed circumstances reasonably beyond the control of the Franchisee and which precipitated a violation by the Franchisee of the Franchise, or which were deemed to have prevented the Franchisee from complying with a term or condition of the Franchise.
- 11.3. <u>No Removal of System</u>. Franchisee shall not be required to remove its Cable System or to sell the Cable System, or any portion thereof as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Franchisee from

providing Cable Service, if the Cable System is actively being used to facilitate any other services not governed by the Cable Act, or any portion thereof [47 U.S.C. §541(b)].

# **SECTION 12 - Competitive Equity**

12.1. <u>Purposes</u>. The Franchisee and the Franchise Authority acknowledge that there is increasing competition in the video marketplace among cable operators, direct broadcast satellite providers, telephone companies, broadband content providers and others; new technologies are emerging that enable the provision of new and advanced services to residents of the Franchise Area; and changes in the scope and application of the traditional regulatory framework governing the provision of video services are being considered in a variety of federal, state and local venues. To foster an environment where video service providers using the public rights-of-way can compete on a competitively neutral and nondiscriminatory basis; encourage the provision of new and advanced services to residents of the Franchise Area; promote local communications infrastructure investments and economic opportunities in the Franchise Area; and provide flexibility in the event of subsequent changes in the law, the Franchisee and the Franchise Authority have agreed to the provisions in this Section, and they should be interpreted and applied with such purposes in mind.

# 12.2. Video Service Providers.

- 12.2.1. Notwithstanding any other provision of this Agreement or any other provision of law, if any Video Service Provider ("VSP") (i) enters into any agreement with the Franchise Authority to provide video services to subscribers in the Franchise Area, or (ii) otherwise begins to provide video services to subscribers in the Franchise Area (with or without entering into an agreement with the Franchise Authority), the Franchise Authority, upon written request of the Franchisee, shall permit the Franchisee to construct and operate its Cable System and to provide video services to subscribers in the Franchise Area under the same agreement and/or under the same terms and conditions as apply to the VSP. The Franchisee and the Franchise Authority shall enter into an agreement or other appropriate authorization (if necessary) containing the same terms and conditions as are applicable to the VSP within sixty (60) days after the Franchisee submits a written request to the Franchise Authority.
- 12.2.2. If there is no written agreement or other authorization between the VSP and the Franchise Authority, the Franchisee and the Franchise Authority shall use the sixty (60) day period to develop and enter into an agreement or other appropriate authorization (if necessary) that to the maximum extent possible contains provisions that will ensure competitive equity between the Franchisee and other VSPs, taking into account the terms and conditions under which other VSPs are allowed to provide video services to subscribers in the Franchise Area.
- 12.3. <u>Subsequent Change in Law</u>. If there is a change in federal, state or local law that provides for a new or alternative form of authorization for a VSP to provide video

services to Subscribers in the Franchise Area, or that otherwise changes the nature or extent of the obligations that the Franchise Authority may request from or impose on a VSP providing video services to subscribers in the Franchise Area, the Franchise Authority agrees that, notwithstanding any other provision of law, upon Franchisee's written request the Franchise Authority shall: (i) permit the Franchisee to provide video services to subscribers in the Franchise Area on the same terms and conditions as are applicable to a VSP under the changed law; (ii) modify this Agreement to comply with the changed law; or (iii) modify this Agreement to ensure competitive equity and parity between the Franchisee and other VSPs, taking into account the conditions under which other VSPs are permitted to provide video services to Subscribers in the Franchise Area. The Franchise Authority and the Franchisee shall implement the provisions of this Section within sixty (60) business days after the Franchisee submits a written request to the Franchise Authority. Notwithstanding any provision of law that imposes a time or other limitation on the Franchisee's ability to take advantage of the changed law's provisions, the Franchisee may exercise its rights under this Section at any time, but not sooner than thirty (30) days after the changed law goes into effect.

12.4. <u>Effect on This Agreement</u>. Any agreement, authorization, right or determination to provide video services to subscribers in the Franchise Area under Sections 12.2 or 12.3 shall supersede this Agreement, and the Franchisee, at its option, may terminate this Agreement or portions thereof, upon written notice to the Franchise Authority, without penalty or damages.

# **SECTION 13 - Miscellaneous Provisions**

- 13.1. Force Majeure. The Franchisee shall not be held in default under, or in non-compliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such non-compliance or alleged defaults occurred or were caused by lightning strike, earthquake, flood, tidal wave, unusually severe rain, ice or snow storm, hurricane, tornado, pandemic, epidemic, public health emergency, or other catastrophic act of nature; riot, war, labor disputes, environmental restrictions, failure of utility service or the failure of equipment or facilities not belonging to Franchisee, denial of access to facilities or rights-of-way essential to serving the Franchise Area necessary to operate the Cable System, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Franchisee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Franchisee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary.
- 13.2. <u>Notice</u>. All notices shall be in writing and shall be sufficiently given and served upon the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

To the Franchise Authority:

Town of Bowling Green 117 Butler Street PO Box 468 Bowling Green, VA 22427 Attention: Town Manager

To the Franchisee:

Comcast Cable Communications Management, LLC 8031 Corporate Drive Nottingham, MD 21236
Attention: Government Affairs Department

With copies to:

Comcast Cable Northeast Division 676 Island Pond Rd. Manchester, NH 03109 Attention: Government Affairs Department

- 13.3. Entire Agreement. This Franchise Agreement and any exhibits or addendums hereto constitute the entire agreement between the Franchise Authority and the Franchisee and supersedes all prior or contemporaneous agreements, ordinances, representations, or understandings, whether written or oral, of the parties regarding the subject matter hereof. Any agreements, ordinances, representations, promises or understandings or parts of such measures that are in conflict with or otherwise impose obligations different from the provisions of this Franchise Agreement are superseded by this Franchise Agreement.
- 13.4. <u>Severability</u>. If any section, subsection, sentence, clause, phrase, or other portion of this Franchise Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.
- 13.5. Governing Law. This Franchise Agreement shall be deemed to be executed in the State of Virginia, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the State of Virginia, as applicable to contracts entered into and performed entirely within the State, and subject to any applicable provisions of substantive law under the Cable Act, as amended.
- 13.6. <u>Modification</u>. No provision of this Franchise Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly

executed by the Franchise Authority and the Franchisee, which amendment shall be authorized on behalf of the Franchise Authority through the adoption of an appropriate resolution or order by the Franchise Authority, as required by applicable law.

- 13.7. <u>No Third-Party Beneficiaries</u>. Nothing in this Franchise Agreement is or was intended to confer third-party beneficiary status on any member of the public to enforce the terms of this Franchise Agreement.
- 13.8. <u>Captions</u>. Captions to sections throughout this Franchise Agreement are solely to facilitate the reading and reference to the sections and provisions of this Franchise Agreement. Such captions shall not affect the meaning or interpretation of this Franchise Agreement.
- 13.9. <u>No Waiver of Rights</u>. Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural, which Franchisee may have under federal or state law unless such waiver is expressly stated herein.

# 13.10. <u>Incorporation by Reference</u>

- 13.10.1. All presently and hereafter applicable conditions and requirements of federal and State laws, including but not limited to the rules and regulations of the FCC and the State of Virginia, as they may be amended from time to time, are incorporated herein by reference to the extent not enumerated herein.
- 13.10.2. Should the State, the federal government or the FCC require Franchisee to perform or refrain from performing any act the performance or non-performance of which is inconsistent with any provisions herein, the Franchise Authority and Franchisee will thereupon, if they determine that a material provision herein is affected, modify any of the provisions herein to reflect such government action.
- 13.11. <u>Calculation of Time</u>. Where the performance or doing of any act, duty, matter, payment, or operation is required hereunder and the period of time or duration for the performance or doing thereof is prescribed and fixed herein, the time shall be computed so as to exclude the first day and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day shall be omitted from the computation.
- 13.12. <u>Annexation</u>. Upon ninety (90) days written notice, any additions of territory to the Franchise Authority, by annexation or other legal means, contiguous to the Franchise Area, shall thereafter be subject to all the terms of this Agreement as though it were an extension made hereunder related to the Cable System located or operated within said territory.
- 13.13. <u>Authority to Execute</u>. Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter into and bind such party to the commitments and obligations set forth herein.

REMAINDER OF PAGE LEFT BLANK UNTIL SIGNATURE PAGE.

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of the last date set forth below:

By:
Print Name:
Title:
Date:
Comcast Cable Communications Management, LLC:
By:
Print Name: Raymon Roundtree
Title: Regional Senior Vice President
Date

Town of Bowling Green, Virginia:



**TO:** The Honorable Mayor and Town Council **FROM:** Chief J.O.Cecil Bowling Green Police Dept.

**COPY:** India Adams-Jacobs, Town Manager

**SUBJECT:** Police Department Monthly Report- October 2025

**DATE:** Oct 28<sup>th</sup>, 2025

### Police Activity

50-Total calls for service

10-Assist other agencies

2-Larcenies

1-Assaults/ Domestics

21-Traffic Summons / 28- Warnings given

72-Property checks/ Vacation checks/ Business Checks

3-Background Checks

2-Town Hall Events

### Heads Up

- 2025 Harvest Fest Complete
- Reviewing Department General Orders



# TOWN OF BOWLING GREEN TOWN COUNCIL MEETING MONTHLY REPORT / PROJECT UPDATE

**AGENDA ITEM:** Public Works Department Monthly Report

**DATE:** October 28, 2025

**PREPARED BY:** Shawn Fortune

#### MONTHLY REPORT / PROJECT UPDATE:

#### Public Works

- 1. Grass cutting was completed at all the sites where needed for October 2025.
- 2. Daily check of all Public Works vehicles has continued, which consists of checking the oil, tires, and lights.
- 3. Staff set up the Council & Planning and Zoning meetings for October 2025.
- 4. Staff installed a new kitchen range at Town Hall.
- 5. HVAC filters were changed in all the buildings on 10/02/2025.
- 6. All the generators are started every Wednesday, and all fluid levels are checked.
- 7. Daily pickup of trash is done at the playground, and equipment is checked.
- 8. Weekly dumping of the trash cans on Main St. has continued.
- 9. Hanging baskets on Main St. were removed and placed in the warehouse.
- 10. The dehumidifier in the ballroom is checked daily to make sure the humidity stays around 50%.
- 11. Door hangers for delinquent bills were delivered to 50 customers.
- 12. Staff picked up 42 bales of straw from Gary Watts to use for the Harvest Festival on 10/13/2025 and returned them to him on 10/20/2025.
- 13. Harvest Festival: No parking signs were put up on 10/15/2025.
- 14. The road closure signage and cones were put out on 10/16/2025 for the Harvest Festival.
- 15. Street sweeping was done on 10/16/2025 for the Harvest Festival. I called the contractor because they left piles of dirt on several streets. They came back on 10/20/2025 and cleaned the streets again at no charge for the second cleaning.

- 16. Public Works completed the take-down of the Harvest Festival on 10/18/2025. I came in on 10/19/2025 and picked up the litter from the Courthouse lawn and at the Administration Building. On 10/20/2025, staff cleaned the funeral home parking lot and grounds.
- 17. The 2014 Dodge Charger was put on Gov Deals on 10/21/2025.

#### **Utilities**

- 1. Sewer line from Martin St. to Lee St. has been checked weekly to make sure it is flowing properly.
- 2. All six pump stations are being maintained weekly to prevent grease from building up on the walls.
- 3. Daily checks of all the Pump Stations have continued.
- 4. Staff marked a total of 34(811) Miss Utility tickets.
- 5. Daily check of alarmed water meters has continued, and repairs are made as needed if the problem is on the public side of the meter. Customers are contacted to let them know a leak is on the private side of the meter.
- 6. On 10/13/2025, the pump at Heritage Pines Pumpstation had to be pulled because it was clogged with wipes.
- 7. At WWTP on 10/13/2025, the off/on float to the sludge pumps had to be replaced.
- 8. Cleaned the floats and probe jars at the Pump Stations on 10/1/2025 & 10/15/2025.
- 9. Fire hydrant was replaced on Milford St. on 10/16/2025.
- 10. Fire hydrants were replaced on Butler St. and West Broaddus on 10/17/2025.
- 11. Water cut offs were done on 10/27/2025.



TO: Town Council

FROM: Hope Toliver, Director of Finance/Treasurer COPY: India Adams-Jacobs, Town Manager/Clerk

SUBJECT: October 2025 Treasurer's Report

DATE: October 6, 2025

#### **SUMMARY**

During October, the finance department worked on the following items:

#### Status of Town Audits

- FY24 Audit
  - o Preliminary audit work has begun internally

#### Southern Software

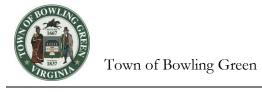
- Staff are working on assisting customers with the new PSN payment portal and any ongoing questions regarding the rate increases on their bills.
- Staff are currently working with Southern Software on the last phase of implementation (Phase III), which is for real estate and personal property billing.

#### Real Estate / Personal Property

- The mapping for the Real Estate and Personal Property was completed for the new system with Southern Software.
  - O Dates have been finalized for staff training on November 7<sup>th</sup> for these modules
- The Town finalized, produced, and mailed out all Real Estate bills for this tax year in accordance with the new rates as set by the council
- Data for Personal Property Tax accounts are currently being converted into our system by Southern Software; final data received and confirmed by the Caroline County Commissioner of Revenue Office on October 22, 2025.
  - Once completed by Southern, Personal Property bills for the Town will be mailed out in accordance with the new rates as set by the council
    - The Town staff requests a one-time extension for the personal property bill due date to January 5<sup>th</sup>

#### Utility Billing

- Sensus training for our electronic meter reading system occurred for all staff
  - o Additional onsite training is scheduled to occur in December for all staff.



- Utility Bills for the September/October usage period will be mailed out to customers as scheduled for the second week of November
- As a courtesy to provide some extra time for our Town residents to make delinquent payments, the Town issued an internal grace period and distributed an additional Cut-Off Notice after the 1<sup>st</sup> Utility Delinquent Notices were issued.
  - o In accordance with our Town Ordinance and Virginia State Code, Cut-offs occurred as of 10/27 if no payment was received for 60+ day delinquent accounts
  - In accordance with the Town's Code, 5% penalty was assessed on unpaid delinquent accounts
  - Also, in accordance with the Town's policy, reconnection fees were and will be assessed for any utility account before reconnection is established

## Other Finance Department Operations (AP, AR, Events, Trash Requests, Business Licenses, Etc.)

- Approximately 115 front desk customers signed in and/or were served at the window
- Continuing with ongoing efforts on the days the Town Office is open to the public to answer utility billing and usage questions, concerns, complaints, and requests for assistance
- Monthly AP processing 5 check runs completed (weekly process)
  - o This includes an AP run for Harvest Festival performers
- 3 Town Hall rental events occurred during October
- The Town has finalized all revenues and expenses relating to Harvest Festival
  - Met with Lisa Stevens Harvest Festival Coordinator
- In collaboration with the Public Works Director and the Town Manager, a "Leaks" SOP and Policy were implemented
- Received 4 new Business License requests
  - o These will be approved in collaboration with the Town Manager
- Completed the "Vendor Registration and W9" Project for our Accounts Payable processes
  - To date, we have received approximately 80% of our Vendor Forms and their updated tax classification information

# TOWN OF BOWLING GREEN 10/30/2025 3:39:03 PM

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100 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Revenues							
100-011010-0001 REAL CURRENT YEAR TAXES	250,000	0.00	0.00	0.00	0.00	(250,000.00	)
100-011010-0002 REAL DELINQUENT TAXES	1,500	0.00	287.87	287.87	287.87	(1,212.13	5) 19%
100-011011-0001 RT 301 CURRENT YEAR TAXES	31,000	0.00	0.00	0.00	0.00	(31,000.00	))
100-011020-0001 RE PUBLIC SERVICE CURRENT YEAR TAXES	3,000	0.00	0.00	0.00	0.00	(3,000.00	))
100-011030-0001 PERSONAL CURRENT YEAR TAXES	55,000	0.00	0.00	0.00	0.00	(55,000.00	))
100-011030-0002 PERSONAL DELINQUENT TAXES	1,500	0.00	0.00	0.00	278.30	(1,221.70	) 19%
100-011060-0001 REAL PENALTY	2,000	0.00	0.00	0.00	0.00	(2,000.00	)
100-011060-0002 REAL INTEREST	1,600	0.00	0.00	0.00	0.00	(1,600.00	)
100-012010-0001 SALES TAX	52,050	0.00	0.00	0.00	11,242.99	(40,807.01	) 22%
100-012020-0001 CONSUMER UTILITY TAX	39,500	0.00	2,776.17	2,776.17	11,742.73	(27,757.27	") 30%
100-012030-0001 BUSINESS LICENSE	95,000	0.00	1,050.00	1,050.00	3,306.63	(91,693.37	') 3%
100-012050-0005 VEHICLE REGISTRATION / LICENCE FEES	15,000	0.00	18.00	18.00	36.00	(14,964.00	0%
100-012060-0001 BANK STOCK TAX	428,400	0.00	0.00	0.00	0.00	(428,400.00	)
100-012070-0001 CIGARETTE TAX	35,000	0.00	0.00	0.00	11,049.16	(23,950.84	) 32%
100-012080-0001 MEALS TAX	375,000	0.00	35,513.25	35,513.25	150,176.65	(224,823.35	6) 40%
100-012100-0001 TRANSIENT OCCUPANCY TAX	3,000	0.00	425.08	425.08	1,938.00	(1,062.00	) 65%
100-013030-0001 ZONING PERMITS/FEES	3,175	0.00	400.00	400.00	1,004.45	(2,170.55	32%
100-013030-0002 HOME OCCUPATION PERMITS	100	0.00	0.00	0.00	0.00	(100.00	)
100-014010-0001 POLICE/COURT FINES	20,000	0.00	1,802.51	1,802.51	4,509.45	(15,490.55	5) 23%
100-014010-0002 RETURNED CHECK FEE	100	0.00	0.00	0.00	0.00	(100.00	)
100-014010-0003 E SUMMONS FEES	1,300	0.00	0.00	0.00	0.00	(1,300.00	)

# TOWN OF BOWLING GREEN 10/30/2025 3:39:03 PM

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100 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
**RESTRICTED USE**							
100-015010-0001 INTEREST EARNED	25,000	0.00	0.00	0.00	0.00	(25,000.00	)
100-015020-0001 CABLE PROPERTY RENTAL	14,000	0.00	0.00	0.00	14,000.00	0.00	100%
100-015020-0002 TOWN HALL RENTALS	18,000	0.00	3,442.00	3,442.00	5,792.00	(12,208.00	) 32%
100-015020-0005 TOWN HALL ACTIVITY FEES	500	0.00	0.00	0.00	150.00	(350.00	) 30%
100-016010-0001 INTERGOV SERVICE AGREEMENT (FT. WALKER)	50,000	0.00	0.00	0.00	3,392.82	(46,607.18	) 7%
100-016099-0003 TRASH REVENUE	110,000	0.00	9,472.50	9,472.50	28,887.53	(81,112.47	) 26%
100-020108-0001 ROLLING STOCK TAX	0	0.00	0.00	0.00	2.97	2.97	7
100-020109-0001 VA 599 POLICE FUNDING	16,000	0.00	0.00	0.00	7,629.00	(8,371.00	) 48%
100-020110-0001 PPTRA REIMBURSEMENT-STATE	21,908	0.00	0.00	0.00	21,907.50	(0.50	) 100%
100-020111-0001 COMMUNICATIONS TAX	28,900	0.00	2,205.69	2,205.69	8,713.14	(20,186.86	) 30%
100-040407-0001 LITTER GRANT	1,596	0.00	0.00	0.00	0.00	(1,596.00	)
100-040407-0100 GF GRANT PROCEEDS	0	0.00	0.00	0.00	4,000.00	4,000.00	)
100-040412-0001 VIRGINIA FIRE PROGRAMS	15,000	0.00	0.00	0.00	0.00	(15,000.00	)
Revenues Totals:	1,714,129	0.00	57,393.07	57,393.07	290,047.19	(1,424,081.81	) 17%
Expenses							
100-012110-1101 SALARIES	91,928	0.00	11,065.74	11,065.74	46,520.96	45,407.04	1 51%
100-012110-1150 PT Salaries and Wages	27,687	0.00	4,428.53	4,428.53	17,876.36	9,810.64	4 65%
100-012110-1201 BONUSES/CONTINGENCY	0	0.00	0.00	0.00	(250.00)	250.00	)
100-012110-2100 FICA	9,151	0.00	827.42	827.42	3,501.54	5,649.46	38%
100-012110-2210 VRS	12,879	0.00	1,686.08	1,686.08	5,901.28	6,977.72	2 46%
100-012110-2220 457 PLAN	0	0.00	199.18	199.18	697.13	(697.13	)
100-012110-2400 GROUP LIFE	1,232	0.00	138.26	138.26	483.91	748.09	39%
100-012110-2500 DISABILITY INSURANCE -	380	0.00	0.00	0.00	0.00	380.00	)

# TOWN OF BOWLING GREEN 10/30/2025 3:39:03 PM

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100 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
VML							
100-012110-3000 TOWN MANAGER EXPENSES	4,500	0.00	0.00	0.00	0.00	4,500.00	)
100-012110-3050 MAYOR EXPENSES	1,500	0.00	0.00	0.00	0.00	1,500.00	)
100-012110-3100 CONTINGENCY	35,000	0.00	0.00	0.00	0.00	35,000.00	)
100-012110-3140 CONTRACTED SERVICES/SHREDDING	600	0.00	0.00	0.00	0.00	600.00	)
100-012110-3150 PROFESSIONAL SERVICES - LEGAL	55,000	0.00	10,513.56	10,513.56	32,337.50	22,662.50	59%
100-012110-3152 WEB BASED SERVICES	15,000	0.00	0.00	0.00	14,633.00	367.00	98%
100-012110-3600 ADVERTISING	3,000	0.00	0.00	0.00	331.20	2,668.80	11%
100-012110-5250 TELECOMMUNCATIONS	3,000	0.00	142.30	142.30	1,300.31	1,699.69	9 43%
100-012110-5300 TOWN INSURANCE-GENERAL FUND	30,000	0.00	0.00	0.00	20,465.76	9,534.24	4 68%
100-012110-5545 CONFRENCE EXPENSES/TRAINING EXPENSE	6,000	0.00	142.80	142.80	142.80	5,857.20	2%
100-012110-5810 MEMBERSHIP DUES	1,500	0.00	0.00	0.00	1,301.00	199.00	0 87%
100-012110-5840 MISCELLANEOUS	3,000	0.00	0.00	0.00	21.05	2,978.9	5 1%
100-012110-6001 OFFICE/MEETING SUPPLIES & PRINTING	3,500	0.00	1,773.91	1,773.91	2,779.70	720.30	79%
100-012110-6023 PUBLIC RELATIONS	1,500	0.00	0.00	0.00	0.00	1,500.00	)
100-012110-6024 INFORMATION & TECHNOLOGY SECURITY UPGRADES	25,000	0.00	2,507.65	2,507.65	24,136.34	863.60	97%
COUNCIL AND TOWN Totals: ADMINISTRATION	331,357	0.00	33,425.43	33,425.43	172,179.84	159,177.10	52%
100-012410-1101 SALARIES/WAGES	147,409	0.00	10,109.92	10,109.92	40,439.68	106,969.32	2 27%
100-012410-1200 PT SALARY AND WAGES	32,372	0.00	1,465.40	1,465.40	5,097.11	27,274.89	9 16%
100-012410-2100 FICA	13,753	0.00	873.41	873.41	3,437.96	10,315.04	4 25%
100-012410-2210 VRS	20,652	0.00	1,576.06	1,576.06	5,516.21	15,135.79	9 27%
100-012410-2300 HEALTH PLAN	26,257	0.00	1,453.24	1,453.24	5,086.34	21,170.66	6 19%

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100 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
100-012410-2400 GROUP LIFE	1,975	0.00	129.24	129.24	452.34	1,522.60	6 23%
100-012410-2500 HYBRID DISBILITY INSURANCE	870	0.00	0.00	0.00	0.00	870.00	0
100-012410-3120 AUDIT	71,700	0.00	0.00	0.00	29,500.00	42,200.0	0 41%
100-012410-3130 CREDIT CARD AND BANK FEES	5,000	0.00	0.00	0.00	0.90	4,999.10	0 0%
100-012410-3150 PROFESSIONAL SERVICES - CPA	75,000	0.00	10,184.93	10,184.93	52,434.65	22,565.3	5 70%
100-012410-3310 OFFICE EQUIPMENT	1,500	0.00	0.00	0.00	369.66	1,130.3	4 25%
100-012410-3320 COMPUTER LICENSES/SUPPORT	75,000	0.00	0.00	0.00	17,495.90	57,504.10	0 23%
100-012410-3600 LATE FEES & PENALTIES	0	0.00	0.00	0.00	3,041.97	(3,041.97	<b>'</b> )
100-012410-5210 POSTAGE	2,500	0.00	0.00	0.00	0.00	2,500.00	0
100-012410-5230 TELECOMMUNICATIONS	1,500	0.00	0.00	0.00	427.89	1,072.1	1 29%
100-012410-5540 EDUCATION/TRAINING	2,000	0.00	938.18	938.18	969.68	1,030.3	2 48%
100-012410-5810 MEMBERSHIP DUES	700	0.00	0.00	0.00	250.00	450.00	0 36%
100-012410-5840 MISCELLANEOUS	3,000	0.00	0.00	0.00	0.00	3,000.00	0
100-012410-6001 OFFICE SUPPLIES & PRINTING	6,000	0.00	140.32	140.32	818.14	5,181.80	6 14%
TREASURER Totals:	487,188	0.00	26,870.70	26,870.70	165,338.43	321,849.5	7 34%
100-031100-1101 SALARIES/WAGES	115,489	0.00	8,870.32	8,870.32	40,683.87	74,805.13	3 35%
100-031100-1150 PART-TIME SALARY AND WAGES	6,120	0.00	501.18	501.18	1,371.18	4,748.82	2 22%
100-031100-2100 FICA	9,303	0.00	713.55	713.55	3,205.42	6,097.5	8 34%
100-031100-2210 VRS	16,180	0.00	1,286.72	1,286.72	4,503.52	11,676.4	8 28%
100-031100-2300 HEALTH PLAN	10,341	0.00	93.64	93.64	327.74	10,013.20	6 3%
100-031100-2400 GROUP LIFE	1,548	0.00	113.40	113.40	396.90	1,151.10	0 26%
100-031100-2500 HYBRID DISABILITY INSURANCE	275	0.00	0.00	0.00	0.00	275.00	0
100-031100-2720 BUILDING	2,000	0.00	0.00	0.00	0.00	2,000.00	0

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100 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance F	Percent
REPAIRS/MAINTENANCE							
100-031100-3310 VEHICLE MAINTENANCE	10,000	0.00	555.90	555.90	555.90	9,444.10	6%
100-031100-3312 EQUIPMENT REPAIR	200	0.00	42.00	42.00	42.00	158.00	21%
100-031100-3320 PROFESSIONAL SERVICES	2,350	0.00	336.00	336.00	336.00	2,014.00	14%
100-031100-5110 ELECTRICITY	10,500	0.00	103.50	103.50	1,222.26	9,277.74	12%
100-031100-5230 TELECOMMUNICATIONS	1,000	0.00	42.80	42.80	191.54	808.46	19%
100-031100-5540 EDUCATION/TRAINING	1,500	0.00	750.00	750.00	750.00	750.00	50%
100-031100-5810 MEMBERSHIP DUES/SUBSCRIPTIONS	2,500	0.00	0.00	0.00	1,827.74	672.26	73%
100-031100-6001 OFFICE SUPPLIES & PRINTING	3,000	0.00	0.00	0.00	39.91	2,960.09	1%
100-031100-6008 VEHICLE FUEL/OIL	3,000	0.00	396.00	396.00	1,479.97	1,520.03	49%
100-031100-6010 EQUIPMENT/SUPPLIES	5,000	0.00	0.00	0.00	14,197.04	(9,197.04)	284%
100-031100-6011 UNIFORMS	2,000	0.00	233.00	233.00	544.00	1,456.00	27%
POLICE DEPARTMENT Totals:	202,306	0.00	14,038.01	14,038.01	71,674.99	130,631.01	35%
100-031200-0003 USE OF E-SUMMONS FEES	4,500	0.00	0.00	0.00	0.00	4,500.00	
POLICE DEPT RESTRICTED Totals:	4,500	0.00	0.00	0.00	0.00	4,500.00	
100-032000-5650 FIRE PROGRAM FUNDS	15,000	0.00	0.00	0.00	15,000.00	0.00	100%
DONATIONS Totals:	15,000	0.00	0.00	0.00	15,000.00	0.00	100%
100-043100-1101 SALARIES	94,656	0.00	8,336.76	8,336.76	34,499.45	60,156.55	36%
100-043100-1201 SALARIES/WAGES- OVERTIME	1,020	0.00	801.51	801.51	1,434.20	(414.20)	141%
100-043100-2100 FICA	7,319	0.00	667.63	667.63	2,638.87	4,680.13	36%
100-043100-2210 VRS	13,261	0.00	1,239.52	1,239.52	4,338.32	8,922.68	33%
100-043100-2220 457 PLAN	0	0.00	76.30	76.30	267.05	(267.05)	
100-043100-2300 HEALTH PLAN	22,322	0.00	2,175.32	2,175.32	7,613.62	14,708.38	34%
100-043100-2400 GROUP LIFE	1,268	0.00	103.22	103.22	361.27	906.73	28%
100-043100-2500 HYBRID DISABILITY	235	0.00	0.00	0.00	0.00	235.00	

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100 GENERAL FUND							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
INSURANCE							
100-043100-3311 VEHICLE MAINT	10,000	0.00	121.38	121.38	700.21	9,299.79	7%
100-043100-5110 ELECTRICITY/STREETLIGHTS	39,000	0.00	547.29	547.29	4,413.09	34,586.91	1 11%
100-043100-5230 TELECOMMUNICATIONS	3,000	0.00	79.59	79.59	626.75	2,373.25	5 21%
100-043100-5250 CELL PHONES	0	0.00	0.00	0.00	18.77	(18.77	)
100-043100-5300 INSURANCE	7,500	0.00	0.00	0.00	5,116.44	2,383.56	68%
100-043100-5540 EDUCATION/ TRAINING	500	0.00	0.00	0.00	0.00	500.00	)
100-043100-6001 OFFICE SUPPLIES & PRINTING	500	0.00	21.27	21.27	183.92	316.08	37%
100-043100-6006 HAND TOOLS	500	0.00	0.00	0.00	188.91	311.09	38%
100-043100-6007 REPAIR/ MAINT TOWN BUILDINGS	12,000	0.00	2,098.20	2,098.20	10,200.19	1,799.81	l 85%
100-043100-6008 VEHICLE FUEL/ OIL	3,000	0.00	609.71	609.71	2,409.33	590.67	7 80%
100-043100-6009 EQUIPMENT/ SUPPLIES	11,000	0.00	1,785.43	1,785.43	9,011.84	1,988.16	82%
100-043100-6011 UNIFORMS/ SAFETY EQUIP	1,500	0.00	191.62	191.62	191.62	1,308.38	3 13%
100-043100-7110 PARKING LOT/STREET/SIDEWALK MAINT	6,000	0.00	0.00	0.00	600.00	5,400.00	10%
100-043100-7120 PARK MAINTENANCE/GATEWAY BEAUTIFICATION	7,500	0.00	2,673.39	2,673.39	6,973.39	526.61	93%
100-043100-7130 REFUSE COLLECTION	100,222	0.00	7,465.95	7,465.95	30,369.43	69,852.57	7 30%
100-043100-7140 LITTER GRANT	1,200	0.00	0.00	0.00	0.00	1,200.00	)
100-043100-7200 TOWN HALL EXPENSES	36,000	0.00	39.30	39.30	26,303.59	9,696.41	73%
100-043100-7201 Grant Matching Funds	25,000	0.00	0.00	0.00	0.00	25,000.00	)
PUBLIC WORKS Totals:	404,503	0.00	29,033.39	29,033.39	148,460.26	256,042.74	1 37%
100-072000-5800 REFUNDS OF ACTIVITY FEES	0	0.00	400.00	400.00	1,400.00	(1,400.00	)
100-093100-0300 TRSF TO CIP FR GENERAL FUND	50,000	0.00	0.00	0.00	0.00	50,000.00	)

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100 GENERAL FUND								
Description		Budget	Encumbrance	MTD	QTD	YTD	Variance F	Percent
100-093100-0400 TRNSFR TO EVENT ACTIVITIES	TS AND	14,500	0.00	0.00	0.00	0.00	14,500.00	
100-093100-0520 TRANSFER TO SEV FUND	VER	204,775	0.00	0.00	0.00	0.00	204,775.00	
	Totals:	269,275	0.00	400.00	400.00	1,400.00	267,875.00	1%
Expenses	Totals:	1,714,129	0.00	103,767.53	103,767.53	574,053.52	1,140,075.48	33%
100 GENERAL FUND	Revenue	es Over/(Under)	Expenses:	(46,374.46)	(46,374.46)	(284,006.33)		

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300 CAPITAL PROJECTS						
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance Percent
Revenues						
300-041050-0100 TRANSFER FR GEN FUND TO CIP	50,000	0.00	0.00	0.00	0.00	(50,000.00)
Revenues Totals	: 50,000	0.00	0.00	0.00	0.00	(50,000.00)
Expenses						
300-300100-0005 CAPITAL PROJECTS RESERVE	50,000	0.00	0.00	0.00	0.00	50,000.00
Totals	50,000	0.00	0.00	0.00	0.00	50,000.00
Expenses Totals	: 50,000	0.00	0.00	0.00	0.00	50,000.00
300 CAPITAL PROJECTS Reve	enues Over/(Under	) Expenses:	0.00	0.00	0.00	

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310 INTERGOV SERVICE AGREEMENT							
Description	Budget Ei	ncumbrance	MTD	QTD	YTD	Variance	Percent
Revenues							
310-016010-0002 INTERGOV SERVICE AGREEMENT	0	0.00	0.00	0.00	33,928.20	33,928.20	)
Revenues Totals:	0	0.00	0.00	0.00	33,928.20	33,928.20	)
Expenses							
310-016010-0001 INTERGOV SERVICE AGREEMENT	0	0.00	0.00	0.00	33,928.20	(33,928.20	)
INTERGOV SERVICE Totals: AGREEMENT	0	0.00	0.00	0.00	33,928.20	(33,928.20	)
Expenses Totals:	0	0.00	0.00	0.00	33,928.20	(33,928.20	)
310 INTERGOV SERVICE Revenu AGREEMENT	ues Over/(Under) Ex	penses:	0.00	0.00	0.00		

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400 EVENTS AND ACTIVITIES							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance I	Percent
Revenues							_
400-016050-0005 HARVEST FESTIVAL - MEALS TAX	0	0.00	2,048.61	2,048.61	2,048.61	2,048.61	
400-016050-0020 HARVEST FESTIVAL - DONATIONS/SPONSORS	0	0.00	500.00	500.00	7,450.00	7,450.00	
400-016050-0051 HARVEST FESTIVAL - CAR SHOW	0	0.00	2,325.00	2,325.00	2,325.00	2,325.00	
400-019050-0100 HARVEST FESTIVAL	19,000	0.00	890.00	890.00	12,970.00	(6,030.00)	68%
400-019050-0300 TOWN HALL ACTIVITIES	1,000	0.00	0.00	0.00	0.00	(1,000.00)	
400-041050-0100 TRANSFER FROM GF TO EVENTS	14,500	0.00	0.00	0.00	0.00	(14,500.00)	
Revenues Totals:	34,500	0.00	5,763.61	5,763.61	24,793.61	(9,706.39)	72%
Expenses							
400-071100-3101 NNO - ENTERTAINMENT	0	0.00	(1,650.00)	(1,650.00)	435.00	(435.00)	
400-071200-1210 HARVEST FESTIVAL	27,500	0.00	13,860.52	13,860.52	19,613.11	7,886.89	71%
400-071200-1230 MUSIC ON THE GREEN	4,000	0.00	600.00	600.00	1,400.00	2,600.00	35%
400-071200-1250 PARADE/HOLIDAY EVENTS	1,500	0.00	0.00	0.00	0.00	1,500.00	
400-071200-1310 TOWN HALL ACTIVITIES	1,500	0.00	0.00	0.00	0.00	1,500.00	
Totals:	34,500	0.00	12,810.52	12,810.52	21,448.11	13,051.89	62%
Expenses Totals:	34,500	0.00	12,810.52	12,810.52	21,448.11	13,051.89	62%
400 EVENTS AND ACTIVITIES Revenue	s Over/(Under)	Expenses:	(7,046.91)	(7,046.91)	3,345.50		

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500 WATER							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Revenues							
500-016099-0001 WATER SALES	612,000	0.00	72,800.11	72,800.11	261,712.39	(350,287.61	43%
500-016099-0003 ACCOUNT SETUP FEES	1,000	0.00	0.00	0.00	30.00	(970.00	3%
500-016099-0004 WATER RECONNECT FEES	100	0.00	0.00	0.00	0.00	(100.00	)
500-016099-0005 CONNECTIONS FEES-WATER	1,500	0.00	0.00	0.00	1,500.00	0.00	100%
500-016099-0006 PENALTY FEES	2,500	0.00	0.00	0.00	0.00	(2,500.00	)
500-016099-0010 WATER AVAILABILITY FEES	18,000	0.00	0.00	0.00	0.00	(18,000.00	)
500-016099-0012 UTILITY INSPECTION FEES	0	0.00	0.00	0.00	70.00	70.00	)
500-016099-0015 IRRIGATION SYSTEM APPLICATION FEES	100	0.00	0.00	0.00	0.00	(100.00	)
500-016099-0016 CAPITAL PROJECTS INFRASTRUCTURE FEE	32,063	0.00	2,870.81	2,870.81	9,627.43	(22,435.57	30%
500-016099-0040 GRANT PROCEEDS	0	0.00	0.00	0.00	45,000.00	45,000.00	)
Revenues Totals:	667,263	0.00	75,670.92	75,670.92	317,939.82	(349,323.18	) 48%
Expenses							
500-093100-0520 TRANSFER FROM WATER FUND TO SEWER FUND	71,013	0.00	0.00	0.00	0.00	71,013.00	)
500-500100-1101 SALARIES	116,096	0.00	9,409.88	9,409.88	42,227.98	73,868.02	36%
500-500100-1201 SALARIES/WAGES-OVERTIME	1,000	0.00	0.00	0.00	0.00	1,000.00	)
500-500100-2100 FICA	5,133	0.00	264.34	264.34	965.38	4,167.62	19%
500-500100-2210 VRS	9,260	0.00	520.08	520.08	1,820.28	7,439.72	2 20%
500-500100-2220 457 PLAN	0	0.00	28.46	28.46	99.61	(99.61	)
500-500100-2300 HEALTH PLAN	14,270	0.00	579.84	579.84	2,029.44	12,240.56	14%
500-500100-2400 GROUP LIFE	886	0.00	44.18	44.18	154.63	731.37	7 17%
500-500100-2500 HYBRID DISABILITY	101	0.00	0.00	0.00	0.00	101.00	)

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500 WATER							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
500-500100-3139 CONTINGENCY (3100)	77,627	0.00	0.00	0.00	0.00	77,627.00	)
500-500100-3140 ENGINEERING/PROF. SERVICES	15,000	0.00	0.00	0.00	0.00	15,000.00	)
500-500100-3311 VEHICLE MAINT	1,350	0.00	0.00	0.00	0.00	1,350.00	)
500-500100-3320 COMPUTER LICENSES/SUPPORT	8,500	0.00	0.00	0.00	0.00	8,500.00	)
500-500100-5110 ELECTRICITY	23,500	0.00	3,925.76	3,925.76	8,675.74	14,824.26	37%
500-500100-5210 MAILING COSTS	5,500	0.00	6,504.05	6,504.05	8,622.99	(3,122.99	) 157%
500-500100-5230 TELECOMMUNICATIONS	4,200	0.00	0.00	0.00	0.00	4,200.00	)
500-500100-5300 TOWN INSURANCE-WATER	10,000	0.00	0.00	0.00	6,943.74	3,056.26	69%
500-500100-5540 Education/Training/License/Permits	1,500	0.00	0.00	0.00	0.00	1,500.00	)
500-500100-5810 FEES AND DUES	3,127	0.00	0.00	0.00	0.00	3,127.00	)
500-500100-5820 LICENSES AND PERMITS	18,500	0.00	0.00	0.00	2,733.00	15,767.00	15%
500-500100-5840 MISCELLANEOUS	3,000	0.00	0.00	0.00	0.00	3,000.00	)
500-500100-5899 Miss Utility Costs	500	0.00	0.00	0.00	0.00	500.00	)
500-500100-6001 OFFICE SUPPLIES/EQUIPMENT	2,000	0.00	0.00	0.00	0.00	2,000.00	)
500-500100-6005 Janitorial Supplies	1,500	0.00	0.00	0.00	0.00	1,500.00	)
500-500100-6006 HAND TOOLS	1,000	0.00	0.00	0.00	0.00	1,000.00	)
500-500100-6007 REPAIR / MAINTENANCE	184,914	0.00	29,519.00	29,519.00	53,400.00	131,514.00	29%
500-500100-6008 VEHICLE FUEL/OIL	10,000	0.00	0.00	0.00	149.93	9,850.07	7 1%
500-500100-6009 EQUIPMENT/SUPPLIES	2,000	0.00	0.00	0.00	0.00	2,000.00	)
500-500100-6011 UNIFORMS/SAFETY EQUIP	1,300	0.00	0.00	0.00	0.00	1,300.00	)
500-500100-6021 TESTING SUPPLIES/CHEMICALS	5,000	0.00	0.00	0.00	581.30	4,418.70	12%
500-500100-6022 WATER TESTING	8,000	0.00	0.00	0.00	180.00	7,820.00	2%
500-500100-6050 METER/FIRE HYDRANTS	2,500	0.00	0.00	0.00	0.00	2,500.00	)

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500 WATER								
Description		Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
500-500100-6060 WELL HEAD PROTECTION GRANT		5,000	0.00	0.00	0.00	0.00	5,000.00	)
500-500100-8500 2018 Loan Interest Expense		53,986	0.00	2,839.13	2,839.13	11,528.48	42,457.52	2 21%
	Totals:	667,263	0.00	53,634.72	53,634.72	140,112.50	527,150.50	21%
Expenses	Totals:	667,263	0.00	53,634.72	53,634.72	140,112.50	527,150.50	21%
500 WATER	Revenue	s Over/(Under)	Expenses:	22,036.20	22,036.20	177,827.32		

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520 SEWER							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Revenues							
520-016099-0002 SEWER SALES	676,125	0.00	55,456.86	55,456.86	194,300.37	(481,824.63	) 29%
520-016099-0007 CONNECTION FEES- SEWER	2,250	0.00	0.00	0.00	750.00	(1,500.00	) 33%
520-016099-0011 SEWER AVAILABILITY FEES	18,000	0.00	0.00	0.00	0.00	(18,000.00	)
520-016099-0016 CAPITAL PROJECTS INFRASTRUCTURE FEE	32,062	0.00	2,075.56	2,075.56	6,803.32	(25,258.68	) 21%
520-041050-0100 TRANSFER IN	240,650	0.00	0.00	0.00	0.00	(240,650.00	)
520-041050-0500 TRANSFER IN FROM WATER FUND TO SEWER	71,013	0.00	0.00	0.00	0.00	(71,013.00	)
Revenues Totals:	1,040,100	0.00	57,532.42	57,532.42	201,853.69	(838,246.31	) 19%
Expenses							
520-500100-1101 SALARIES	345,239	0.00	27,273.57	27,273.57	107,898.14	237,340.86	31%
520-500100-1201 OVERTIME	1,000	0.00	0.00	0.00	0.00	1,000.00	)
520-500100-2100 FICA	5,133	0.00	264.34	264.34	1,057.36	4,075.64	4 21%
520-500100-2210 VRS	9,260	0.00	520.08	520.08	1,820.28	7,439.72	2 20%
520-500100-2220 457 PLAN	0	0.00	28.46	28.46	99.61	(99.61	)
520-500100-2300 HEALTH INSURANCE	14,270	0.00	579.84	579.84	2,029.44	12,240.56	3 14%
520-500100-2400 GROUP LIFE	886	0.00	44.18	44.18	154.63	731.37	7 17%
520-500100-2500 HYBRID DISABILITY	101	0.00	0.00	0.00	0.00	101.00	)
520-500100-2501 CONTINGENCY(3100)	75,000	0.00	0.00	0.00	0.00	75,000.00	)
520-500100-3160 TESTING	30,000	0.00	4,498.72	4,498.72	15,312.27	14,687.73	3 51%
520-500100-3180 SLUDGE REMOVAL	145,500	0.00	15,043.00	15,043.00	72,823.00	72,677.00	50%
520-500100-3311 VEHICLE MAINT	1,500	0.00	0.00	0.00	0.00	1,500.00	)
520-500100-3320 PROFESSIONAL SERVICES	2,341	0.00	0.00	0.00	0.00	2,341.00	0
520-500100-5110 ELECTRICITY	45,000	0.00	31.60	31.60	7,455.86	37,544.14	4 17%
520-500100-5120 PROPANE	2,500	0.00	0.00	0.00	0.00	2,500.00	)
520-500100-5210 MAILING COSTS	500	0.00	0.00	0.00	0.00	500.00	) <u> </u>

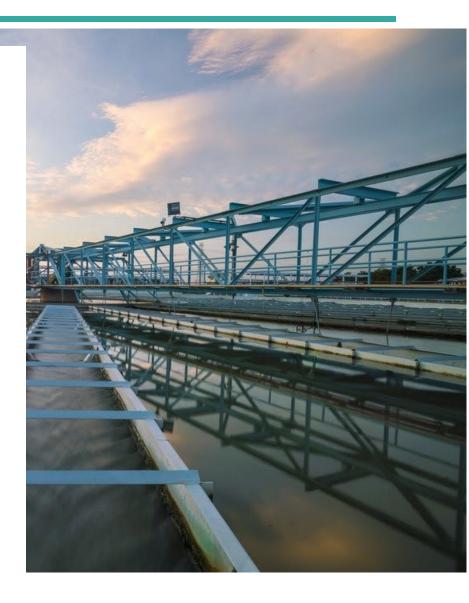
## TOWN OF BOWLING GREEN 10/30/2025 3:39:03 PM

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520 SEWER							
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance I	Percent
520-500100-5230 TELECOMMUNICATIONS	1,500	0.00	0.00	0.00	0.00	1,500.00	
520-500100-5300 INSURANCE	6,000	0.00	0.00	0.00	4,020.06	1,979.94	67%
520-500100-5540 Education/Training/License	2,500	0.00	0.00	0.00	0.00	2,500.00	
520-500100-5613 VPDES FEES/DEQ	4,500	0.00	0.00	0.00	960.72	3,539.28	21%
520-500100-5840 SEWER OPS MISCELLANEOUS	15,000	0.00	266.98	266.98	1,067.92	13,932.08	7%
520-500100-5899 MISS UTILITY COST	500	0.00	0.00	0.00	81.60	418.40	16%
520-500100-6001 OFFICE SUPPLIES	800	0.00	0.00	0.00	0.00	800.00	
520-500100-6004 LAB SUPPLIES/CHEMICALS	15,000	0.00	0.00	0.00	0.00	15,000.00	
520-500100-6005 Janitorial Supplies	1,000	0.00	0.00	0.00	0.00	1,000.00	
520-500100-6006 SMALL TOOLS	1,000	0.00	0.00	0.00	0.00	1,000.00	
520-500100-6007 REPAIR / MAINTENANCE	150,000	0.00	15,724.44	15,724.44	15,724.44	134,275.56	10%
520-500100-6008 VEHICLE FUEL/OIL	1,500	0.00	0.00	0.00	0.00	1,500.00	
520-500100-6011 UNIFORMS/SAFETY EQUIPMENT	1,000	0.00	0.00	0.00	0.00	1,000.00	
520-500100-6030 PLANT & LAB SUPPLIES/CHEMICALS	300	0.00	0.00	0.00	0.00	300.00	
520-500100-8500 Loan Interest Expense	161,270	0.00	20,777.13	20,777.13	83,280.49	77,989.51	52%
520-500300-3334 MAINTENANCE-MAINS	0	0.00	0.00	0.00	962,062.50	(962,062.50)	
Totals:	1,040,100	0.00	85,052.34	85,052.34	1,275,848.32	(235,748.32)	123%
Expenses Totals:	1,040,100	0.00	85,052.34	85,052.34	1,275,848.32	(235,748.32)	123%
520 SEWER Revenue	s Over/(Under	) Expenses:	(27,519.92)	(27,519.92)	(1,073,994.63)		

# UTILITY REPORT





### SEPTEMBER 2025

Town of Bowling Green, VA
Authored by:
Inboden Environmental Services, Inc.



## **WATER**

## **Water Quality**

The treatment facilities and distribution system maintained compliance with all required sampling.

### **Bacteriological Analysis:**

Location	Date	Result
030 - Bowling Green Healthcare	9/15/2025	Absent
060 - VDOT Field Tower	9/15/2025	Absent

### **Water Treatment**

The water treatment plant met the Town's water demand with a total monthly well yield of 4.229 MG for an average daily production rate of 0.140 MGD.

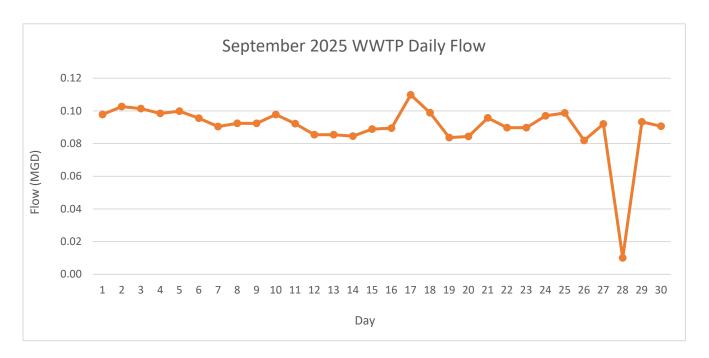
## **Operational Notes:**

- All state required samples were collected and reported.
- Continuing to disinfect the water per state requirements.

## **WASTEWATER**

#### **Wastewater Treatment**

The wastewater treatment plant had an average daily flow of 0.090 MGD for a total monthly effluent discharge of 2.710 MG.

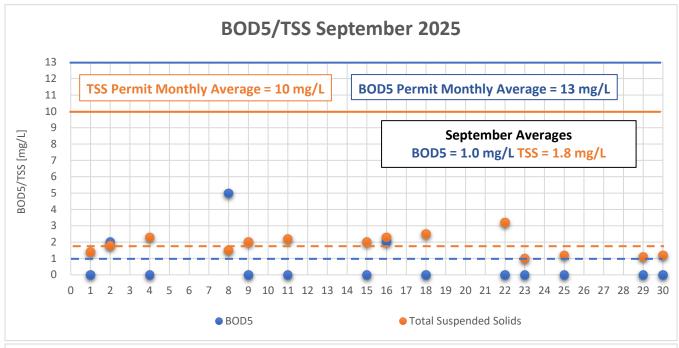


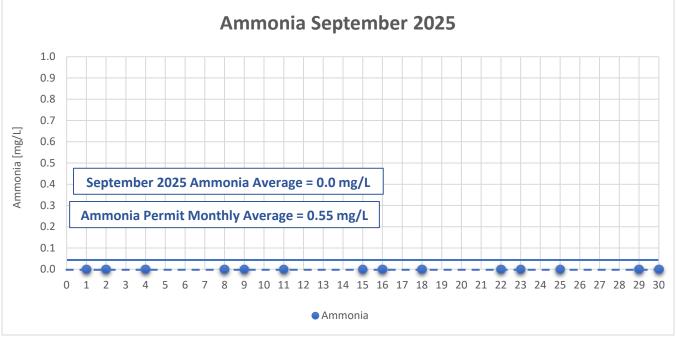
## **Operational Notes:**

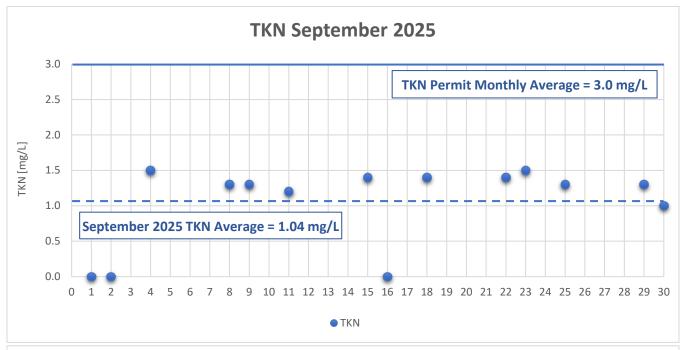
BOD, TSS, Ammonia, TKN, and E. Coli samples were collected in compliance with the WWTP permit.

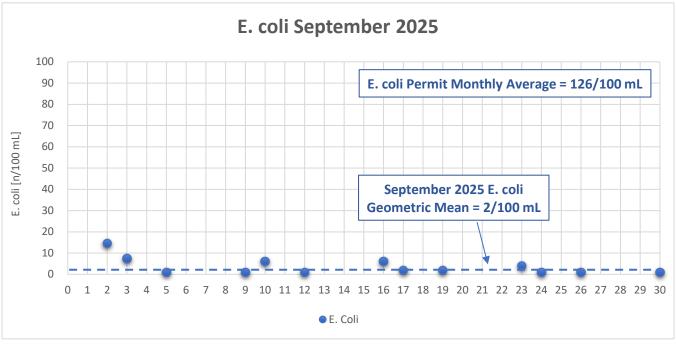
- Rotor for aeration had a hardware malfunction, which was acted upon swiftly. Work is to be completed in October.
- Continuing to perform preventative maintenance on equipment regularly.

## **Sample Results:**









## Glossary

Bacteria	E.coli and/or Total Coliform
BOD5	5-day Biochemical Oxygen Demand
CBOD	Carbonaceous Biochemical Oxygen Demand
cfu	colony forming unit
CIP	Capital Improvement Plan or Cast/cleaned-in-place
Cl	Chloride Ion
Cl2	Chlorine
CMF	Continuous Membrane Filtration?
D.O.	Dissolved Oxygen
F/M ratio	Food to Microorganism ratio
FOG	Fats, Oil and Grease
GST	Ground Storage Tank
HWTP	Harmony Water Treatment Plant
1&1	Infiltration and Inflow
Inorganic Nitrogen	Nitrate + Nitrite
LS	Lift Station
mg/L	Milligrams per Liter
MGD	Million Gallons Per Day
mL	Milliliters
MLSS	Mixed Liquor Suspended Solids
MLVSS	Mixed Liquor Volatile Suspended Solids
MPN	Most Probable Number -bacteriological well sample
MW	Monitoring Well
N/N	Nitrate/Nitrite
Organic Nitrogen	TKN
P/A	Presence/Absence- bacteriological samples for drinking water
PFAS	polyfluoroalkyl substances
PLC	Programmable Logic Controller
POE	Point of Entry
RAS	Return Activated Sludge
SCADA	Supervisory Control and Data Acquisition
STEP	Septic Tank Effluent Pump
TKN	Total Kjeldahl Nitrogen
TN	Total Nitrogen
TP	Total Phosphorous
TR-6	Copper sequestering chemical for wastewater
TSS	Total Suspended Solids
UV	Ultraviolet Light
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant



TO: Town Council

FROM: India Adams-Jacobs, MPA, ICMA-CM, Town Manager

**DATE:** October 25, 2025 **RE:** Town Manager Report

#### Policy Development and Legal Review

The Town Manager initiated a comprehensive review of the town code in collaboration with the Town Attorney. This systematic approach will ensure consistency across all code provisions and identify areas requiring modernization to align with current operational practices and state requirements. The Town Attorney's firm has completed the final review of the personnel policy, marking a significant milestone in establishing formalized human resources protocols that protect both the municipality and its employees while ensuring compliance with state and federal employment laws.

Financial policy development progressed through coordinated efforts with Ted Cole and Davenport & Company staff to finalize the draft financial policies document for Council consideration. This comprehensive framework encompasses fund balance policies, debt management protocols, investment guidelines, and capital improvement planning methodologies. The policy development process benefited from direct collaboration with the Town Treasurer and Financial Consultant, ensuring alignment between the policy framework and operational capacity while incorporating industry best practices for municipalities of comparable size and complexity.

#### Financial Operations and Tax Administration

Staff completed intensive training with the Town Treasurer and Southern Software on the Phase III Tax Billing module, enabling full integration of real estate and personal property tax administration into a unified platform. Real estate tax bills were produced, underwent a comprehensive quality assurance review, and were distributed during the week of October 27 according to established timelines. The implementation of this system represents a significant technological advancement in revenue administration, positioning the Town for improved accuracy and efficiency in tax billing operations.

Personal property tax processing is delayed due to the need for extensive data validation to ensure accurate records. The Town of Bowling Green has worked collaboratively with the Commissioner of Revenue's Office to verify garage jurisdictions based on correspondence received from residents. Upon receipt of converted data on November 7, internal review and validation procedures will commence, with mailer distribution to follow immediately thereafter. To accommodate this adjusted timeline while maintaining reasonable taxpayer notice periods, staff prepared an agenda for the November 6th Council meeting, requesting an adjustment of the personal property tax due date to January 9, ensuring adequate time between bill receipt and the payment deadline. The Town has received the final FY23 audit report from Robinson, Farmer, Cox Associates (RFCA), which is attached for Council acceptance. This completion marks a significant milestone in financial accountability and transparency, as it represents the third completed audit in 21 months.

#### Infrastructure and Transportation Planning

Staff coordinated a comprehensive social media campaign to promote public participation in the VDOT Route 301 Smart Scale project public hearing, utilizing multiple platforms to ensure broad community awareness of this significant infrastructure investment opportunity.

The USDA waterline project is facing delays due to timeline adjustments that became necessary following notification from Steve Ball at Webb & Associates regarding changes to the VDOT plan preparation requirements, effective October 1, 2025. These new standards require additional engineering work to ensure compliance, resulting in extended project development timelines. Staff will continue coordination with Webb & Associates to navigate these regulatory changes while maintaining project momentum.

#### Regional Collaboration & Economic Development

I attended the Regional Housing Summit on October 16, alongside the Vice Mayor, and gained valuable insights into regional housing market dynamics, affordability challenges, and innovative approaches employed by neighboring jurisdictions. This information will directly inform the Town's comprehensive plan, specifically its housing element updates and potential policy initiatives, to address local housing needs.

The Town's Economic Development Authority will meet on November 12th, and the BGVA Main Street group will host transformation strategy meetings with national and state representatives on November 20<sup>th</sup>.

Upcoming Council Action Items - November 6th Meeting

- Financial policies
- Personnel policy
- Personal property tax due date adjustment request

Respectfully submitted,

# India Adams-Jacobs

India Adams-Jacobs, MPA, ICMA-CM

# TOWN OF BOWLING GREEN

## **PERSONNEL POLICY**

Effective:
April 2018
Revised October 2025



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# Section 1. Authority and Application

### 1.1. Authority for and Adoption of Personnel Policies

A. Title 15.2, Chapter 15, Article 1, of the Code of Virginia and the Charter of the Town of Bowling Green, enables the Town Council to adopt personnel policies, establish departments, employ personnel, and fix compensation for its employees.

B. This Personnel Policies and Procedures Manual (the "Manual") supersedes all previous personnel policies adopted by the Town Council.

C. This Manual includes those policy statements and procedures that establish the framework for the administration of a personnel system. As such, it is deemed to require legislative review by the Town Council. As a framework, it contains the generally applicable rules and regulations for the employment of personnel. It does not include all departmental operational policies related to personnel. The authority to adopt departmental operating policies is delegated to the Town Manager. Moreover, any actions not reserved to the Council and not inconsistent with what is contained herein are reserved to the Town Manager.

### 1.2. Purpose of Personnel Policies

These Personnel Policies are intended to:

- Foster effective and efficient service to the public.
- Provide and maintain equitable conditions of employment.
- Establish and maintain uniform standards of employment and compensation.
- Aid employees and supervisors with personnel matters.

#### 1.3. At-Will

Virginia is an "employment at will" state and all employees, unless otherwise stated herein, are employed at the will of the Town and either party may terminate the employment relationship at any time. Employees of the Town of Bowling Green do not have a contract of employment. Neither these policies nor any other document constitutes an express or implied employment contract or any right to continued employment. These policies do not imply or create a vesting or a contract entitling Town employees to any specific benefits or policies from the Town. The contents of this manual and the Town of Bowling Green's policies and procedures may be changed at any time so long as they comply with all applicable Federal, State and local employment laws and regulations.

# 1.4. Employment Relationship

The Town believes all employees, regardless of role, position, status or salary, make a critical contribution to achieving the Town's mission. The Town is committed to providing a safe, non-discriminatory and alcohol and drug-free workplace where employees can work in a supportive environment and interact responsibly with colleagues and citizens. Managers and employees are

partners in ensuring that the residents of Bowling Green receive appropriate services.

#### 1.5. Federal, State and Local Laws

The personnel policies or procedures contained in this Manual are to be read consistent with federal, state, and local law and any provisions that conflict with such laws shall be superseded by the pertinent law. If any part, section, subsection, sentence, clause or phrase is for any reason held to be unconstitutional or invalid, that part only shall be deemed severable and shall not affect the constitutionality or validity of the remainder.

# 1.6. Applicability

All employees of the Town of Bowling Green, i.e., persons who perform work for the Town in return for financial compensation, are governed by these Employment Policies and Procedures. Exceptions include, but are not limited to, independent contractors and elected officials and their staff, unless a formal agreement to follow Town policies is executed.

# 1.7. Compliance

Within their respective departments, Department Directors shall take necessary and prompt action to ensure compliance with these personnel policies. Employees who fail to adhere to the requirements set forth in these policies may be subject to disciplinary action, up to and including termination of employment.

# 1.8. Personnel Policies and Procedures Manual Availability

A copy of the Personnel Policies and Procedures Manual shall be provided to each employee. The official copy of the Manual shall be maintained in the Town Manager's Office.

# 1.9. Situations Not Specifically Covered

While written policies cannot include every possible situation, this document, when used as a whole, provides effective education and guidance while maintaining sufficient flexibility to allow independent judgement, ensure accountability and support consistent, equitable decision-making. Situations not specifically covered by this Manual shall be handled in a manner consistent with the purposes of these policies as determined by the Town Manager and in compliance with all applicable laws.

# Section 2. Administration of Personnel System

#### 2.1. Town Council

Except for what it expressly reserves to itself, the Town Council delegates to the Town Manager the responsibility and authority for all personnel matters.

# 2.2. Town Manager's Responsibilities

A. The Town Manager shall serve as personnel officer for the Town and is responsible for the administration of the Town's personnel system. The Town Manager shall administer these personnel policies and may delegate such duties in connection with the administration of these policies as deemed appropriate.

#### B. The Town Manager shall:

- 1. Fairly and equitably interpret and apply these personnel policies for all employees and applicants;
- 2. Advise the Town Council in matters concerning personnel administration;
- 3. Recommend sound merit standards of personnel administration;
- 4. Institute operating procedures for the implementation of these policies;
- 5. Regularly review and recommend changes to these personnel policies and the Town's position classification and pay plan;
- 6. Maintain all centralized personnel records and personnel files according to state and federal regulations;
- 7. Perform the duties and functions of Equal Employment Opportunity Officer;
- 8. Administer and interpret the Town's personnel policies and procedures and its classification and compensation plan;
- 9. Coordinate and be held accountable for employee training and development; and
- 10. Perform other related activities that provide and support an efficient and effective workforce.
- C. The Town Manager's authority specifically includes, but is not limited to:
  - 1. The authority, within budgetary limits, to employ, promote, transfer, reclassify, discipline, demote, discharge or in any manner deal with personnel matters concerning employees of all departments and agencies under the Town's control.
  - 2. The authority to administer the classification and pay plan and to issue policies and procedures for the administration of the plan.

- 3. The authority, within budgetary limits, to reclassify existing classifications, delete or abolish positions or transfer positions to other departments; make changes in employee classifications to provide for proper administration of the compensation and pay plan; and establish from funds allocated for this purpose, the compensation of each employee within the designated pay range.
- 4. The authority to interpret and be the final administrative authority regarding the implementation of such policies, and any other policies and procedures, written or unwritten.

# 2.3. Department Director Responsibilities

- A. Department Directors and other designated management officials perform management functions including and not limited to the following:
  - 1. Department Directors may implement standard operating procedures (SOPs) provided they are consistent with these personnel policies and approved by the Town Manager.
  - 2. Develop organizational structures and recommend staffing levels based on service delivery needs and resource availability.
  - 3. Establish and communicate work expectations, develop operating procedures, manage performance and maintain an effective working environment. However, such procedures shall not conflict with any portion of these employment policies and must be coordinated in advance with the Town Manager.
  - 4. Schedule activities within their departments including hours of work, rest and lunch periods, time to prepare for work and clean-up time.

# 2.4. Duties May Be Delegated

The Town Manager or a Department Director may delegate duties to a subordinate employee, when appropriate.

### Section 3. Classification

# 3.1. Classification Plan Established by Town Council

The Town Council establishes a classification plan for Town employees. The Council may amend or temporarily suspend the plan as it deems necessary. The most recently adopted or amended plan remains in effect unless and until it is amended or suspended by the Council.

### 3.2. Purpose of Classification Plan

- A. The Classification Plan is the official system of grouping positions based on established classification factors.
- B. Classification is the entire process of assigning and reassigning jobs to the Classification Plan. For classification purposes, a position contains a group of assigned duties and responsibilities as outlined in the position description requiring full or part time employment of one or more persons. A position may be occupied or vacant.
- C. The position description includes, at a minimum: position title and a general statement about the position, essential duties and responsibilities of the position, the knowledge, skills, and abilities needed to meet the requirements of such a position, and the exempt or non-exempt status of the position. For those positions which require a bond to be established, the position description shall state the absolute requirement to obtain and maintain a bond in the designated amount for employment in those positions. The Town Manager shall ensure that position descriptions are accurate, up to date, and reflect essential functions.
- D. The Town Manager shall maintain an official copy of the Classification Plan, as approved or amended by the Town Council. The official copy shall include a schematic list of positions and any amendments.

#### 3.3. Creation and Maintenance of Classification Plan

- A. Prior to the establishment of a new position or reclassification of an existing position, a position description covering the essential duties, responsibilities, and minimum qualifications for the position is developed and submitted to the Town Manager for review. The Town Manager examines the proposed position and determines the proper classification.
- B. No person shall be appointed, promoted, demoted, transferred, or paid in any new position until the position has been first established with a position description and assignment to the Classification Plan.
- C. The classification of each position shall be reviewed annually in conjunction with fiscal year budget preparations and at other times as deemed appropriate by the Town Manager.
- D. Positions no longer in use shall be removed from the Classification Plan.

#### 3.4. Definitions

**Date of Employment (DOE)** - The month, day, and year in which an employee began working for the Town.

**Position Entry Date (PED)** - The month, day, and year that an employee enters their current position or grade. This date may be the same as the date of employment or another date as a result of promotion, demotion or other action set forth in this policy.

**Performance Review Date (PRD)** - The performance of each employee shall be reviewed annually. Such review shall commence no later than March 1st of each year for the rating period which ends with the conclusion of the fiscal year.

# 3.5. Types of Positions

### A. Full-Time Employment

Full-time positions are on-going and are funded for a minimum of 40 hours of actual work per week or 2,080 hours per year. Positions that are exempt under the Fair Labor Standards Act are expected to work as many hours as may be required to fulfill the responsibilities of the position without additional compensation. A full-time position includes full benefits. Employees in these positions who have successfully completed their probationary period have grievance rights. (See Section 7.3, Probationary Period.)

# B. Part-Time Employment

- 1. Part-time positions are funded for fewer than 40 hours per week, or fewer than 2,080 hours per year. Part-time employees receive no benefits. The incumbent is designated as part-time in Town employment records. Part-time employment with the Town is at will and may be terminated by the Town Manager at any time, with or without advanced notice or cause.
- 2. There are generally two categories of part-time positions: Regular part-time and Seasonal/Temporary part-time.
  - a. Regular part-time positions are funded for an established number of hours each day or week throughout the year, averaging less than 30 hours per week, and may receive compensation on a salary or hourly wage basis. Employees in this category do not receive any benefits. Those who have successfully completed their probationary period have grievance rights.
  - b. Seasonal or Temporary part-time employees may be recruited to assist in the handling of workloads of unknown duration, seasonal employment, emergency work, or for completion of a specific task or project. These positions require less than 40 hours per week, and the duration of the employment is short-term and finite. Seasonal or temporary part-time employees shall not be employed without the approval of the Town Manager. If a seasonal or temporary part-time employee changes status to a full-time position, the employee shall be considered as a new hire at the time that employee's status is changed unless otherwise designated by the Town Manager. Employees in these positions are not subject to a probationary period, do not receive benefits, and do not have grievance rights.

- c. Pay rates for part-time and seasonal or temporary positions with a full-time equivalent shall be within the same pay range as the full-time position. The Town Manager shall set part-time pay rates for those positions with no full-time equivalent.
- d. If a part-time employee changes status to a full-time position, the employee shall be considered as a new hire at the time that employee's status is changed unless otherwise designated by the Town Manager.

## 3.6. Entry Rate of Pay

The starting pay for any new employee in a full-time or regular part-time position shall be determined on a case-by-case basis. Factors contributing to a higher entry rate of pay include the individual's applicable education, training, and experience or competitive recruitment conditions. The Town Manager has the authority to set the entry rate of pay for each employee hired provided that such pay is within the assigned pay grade range.

### 3.7. In-Grade Pay Increases

The Town Manager, with the approval of the Town Council, may establish a career enhancement program wherein employees who receive professional licensing or certification credentials that are desired or required within a specified timeframe for the position will receive additional compensation. Such supplemental compensation may be in the form of a bonus or pay increase.

#### 3.8. Performance Based Increases

- A. If Town Council approves funding for a merit pay increase, employees are eligible for such pay on their performance review date. A merit pay increase is based on the rating that an employee receives on the employee's annual performance review.
- B. Employees at the top of the pay grade for their position remain eligible for merit pay increases.

# 3.9. Other Pay Actions

#### A. Demotion

- 1. Demotions occur when an employee is placed, either voluntarily or involuntarily, in a position within a lower pay grade. An employee may request a voluntary demotion for personal reasons or to retain employment status with the Town when the employee's position has been eliminated and approval of said request shall be within the sole discretion of the Town Manager. An employee may be demoted involuntarily for poor performance or disciplinary reasons. No demotion shall be effective until approved by the Town Manager.
- 2. Demotions generally result in a reduction of pay. The Town Manager shall determine the new rate of pay on a case-by-case basis. An employee who is demoted shall be subject to a new merit anniversary date which shall be the date the demotion was effective.

#### B. Promotion

1. Promotions occur when an employee is placed in a position within a higher pay grade scale. If a promotion occurs, the Town Manager shall determine the new rate of pay on a case-by-case basis.

2. The Town Manager may consider factors such as, and not limited to, current pay, pay range for the new position, and years of employment with the Town to determine the new rate of pay.

### 3.10. Pay Increase

Employees may receive annual pay increases as approved by Town Council through the budget process.

# 3.11. Overtime and Compensatory Time

The provisions of the federal Fair Labor Standards Act (FLSA), as amended, are the fundamental wage and hour policy of the Town. All Town positions are determined to be Exempt or Non-Exempt under the criteria of the FLSA. Any questions relating to minimum wage and overtime will be interpreted and applied consistent with the FLSA and state law. When there is a conflict between Town policies and FLSA or state law, federal or state law shall take precedence.

A. The workweek for purposes of overtime eligibility and compliance with FLSA shall be seven (7) consecutive days beginning at 12:01 a.m. Sunday and ending at midnight on Saturday.

#### B. Hours of Work

- 1. Non-Exempt employees shall adhere to scheduled hours and work overtime only with advance authorization. An employee must not begin work before the scheduled starting time, shall not work through the meal period, and shall not work past the scheduled ending time without prior authorization from the Department Director. If such unauthorized work occurs, the employee may be subject to disciplinary action, up to and including termination, and/or have the work schedule adjusted later in the work week. Management may reschedule employees' work hours during the usual work week so that no more than the normally scheduled hours are worked.
- 2. Employees are expected to work overtime and weekend hours when required by their Department Director. Overtime work assignments shall be managed in the most effective and economical manner possible. Department Directors shall ensure that, whenever possible, overtime assignments are distributed as equitably as possible to all employees qualified to perform the work.

#### C. Overtime

1. Overtime occurs when service delivery needs exceed the normal work hours and non-exempt employees work more than 40 hours in one work week. Overtime must be approved in advance by the Department Director or Town Manager. When overtime hours are required due to an emergency and advance approval cannot be obtained prior to the work commencing, the Department Director or Town Manager is required to complete the overtime/compensatory time form within two (2) working days after overtime was worked and provide an explanation of the emergency that necessitated the overtime work.

2. Overtime work shall be authorized only to cover emergencies, necessary seasonal activity, inclement weather conditions, and unusual or unanticipated working conditions. Its use on a continual basis is prohibited.

#### D. Overtime Compensation

- 1. All employees designated as non-exempt as defined by the Fair Labor Standards Act are eligible to receive overtime compensation in pay or time. Monetary payments shall be at one-and one-half times the regular rate of pay for all hours worked over forty (40) in one administrative work week, except public safety employees subject to the FLSA 207k exemption shall be compensated for hours over the threshold of the established work cycle.
- 2. Non-exempt employees may earn overtime in the form of compensatory time at one-and one-half hours of time awarded for each hour worked over the appropriate threshold, at management's discretion. The maximum compensatory time allow to accrue shall be 40 hours, after which cash compensation must be paid. Overtime pay or compensatory time will be included in the pay for the pay period in which it is earned. Accrued compensatory time, when awarded, is included on the employee's pay stub.
- 3. Non-exempt employees with a compensatory leave balance at the time of termination will receive cash compensation for the compensatory leave balance at their current rate of pay or the average rate of pay for the past three years, whichever is greater.
- 4. A non-exempt employee shall not work outside the designated schedule without prior approval from the department head or designee. Should an employee work without approval, payment will be made, and the employee may be subject to disciplinary action up to and including dismissal. Failure by an employee to work scheduled overtime, once notified, may result in disciplinary action, up to and including dismissal.
- 5. Employees must actually work 40 hours during the workweek to be eligible for overtime pay or compensatory time for that workweek. For purposes of computation, hours in a paid leave status are not considered to be hours worked. Paid leave status includes, but is not limited to, annual leave, sick leave, compensatory leave, military leave, bereavement leave, personal leave, holiday leave, and civil leave. Hours not worked due to adverse weather closings, are not considered as hours worked for overtime purposes.

#### E. Exempt Positions

- 1. For the purposes of overtime compensation, certain positions are exempt from the overtime requirements of the FLSA. These positions have responsibilities and duties that fall within the Executive, Administrative, Professional, or Computer Professional exemptions under the FLSA. Seasonal or temporary part-time jobs may be exempt, if the job meets the criteria under the FLSA exemptions.
- 2. Exempt employees are not covered by the overtime provisions of the FLSA and are not eligible to receive overtime compensation. They are expected to work at least forty (40) hours per week and additional hours, as needed, to complete work responsibilities. They may use reasonable discretion, with the approval of their supervisor, to adjust their regular work

schedule following extended periods of work over 40 hours per week or the Town Manager may award comparable time off, as appropriate.

#### F. Time of Payment

- 1. Overtime pay earned in a particular pay period shall normally be paid on the payday for that pay period. If the correct amount of overtime pay cannot be determined until after the payday for that pay period, the overtime compensation will be paid on the next payday.
- 2. Payment shall not be delayed for a longer period than is reasonably necessary to compute and arrange for payment and in no event shall payment be delayed beyond the next payday after such computations can be made.

#### 3.12. Garnishments

Should the Town be served with a writ of garnishment or attachment, a notice of levy by the Internal Revenue Service (IRS) or other taxing authority, or any other judicial order requiring payment of an employee's wages to a third party or the court, the Town will deduct the required amount from the employee's wages in an amount not to exceed that permitted by law. Pursuant to 8.01-512.2 of the Code of Virginia, the Town may impose an administrative fee up to ten dollars from a judgment-debtor employee on account of such employers' expense in processing each garnishment summons served on such employers on account of the judgment-debtor employee. The Town will process no more than two garnishment orders per employee.

## 3.13. Other Compensation

#### A. Stand-By Pay

- 1. Stand-by is time that a designated, non-exempt employee must remain available to report to work during off-duty hours, in accordance with their department's operating procedures, and is not unduly restricted in their freedom to conduct personal business. The stand-by requirement is typically included in the job description and other employees may be designated by the Town Manager, as needed.
- 2. An employee on stand-by is not required to remain at work or home and is free to engage in personal pursuits, with the understanding that they must be available by phone or pager to respond and report to work, if necessary, within thirty (30) minutes. Employees that do not report to the job or equipment site within thirty (30) minutes may be subject to disciplinary action.
- 3. Employees are normally assigned to stand-by for a one-week period. Non-exempt employees assigned to stand-by may be awarded consistent compensation for each week they are on stand-by, in an amount determined by the Town Manager.
- 4. Employees who are called to duty from stand-by are paid a minimum of 2 hours at a rate of one and one-half times their regular rate of pay for each call-out, regardless of hours worked during the week.
- 5. Each department shall identify the positions subject to stand-by and shall establish written operating procedures, subject to review and approval by the Town Manager, for stand-by

- coverage including a rotation schedule, acceptable response time and application of stand-by pay processes.
- 6. Exempt employees are not eligible for stand-by pay. However, an exempt employee on stand-by who is called out to work may, with the approval of their supervisor, use discretion to adjust their regular work schedule following extended periods of such work.

#### B. Call Back Pay.

- 1. In unusual situations or as required by law, employees may be called back to work from an off-duty status or be required to stay at work beyond their regular shift. In these situations, non-exempt employees shall be paid at a time and one-half rate regardless of the hours worked in the administrative work week.
- 2. These unusual situations may include, and are not limited to, providing direct citizen services such as snow removal, utility repairs, etc. whereby services cannot wait to be administered through normal scheduling of personnel during the designated workweek.
- 3. The Director of Public Works is authorized by the Town Manager to determine the situations in which employees are called back to work and is responsible for documenting and maintaining a record of the situation and the personnel required to meet the requirements of the situation. Employees in such positions are required to report to work when notified by a supervisor.

#### C. Holiday Pay.

- 1. If an observed holiday falls on an employee's regularly scheduled day off, the employee shall be granted another paid day off during the month in which the holiday was celebrated, whenever possible. If this is not possible, the employee shall receive 8 hours of straight time pay in lieu of the day off.
- 2. If the Town Manager requires a full-time employee to perform work on an observed holiday, the employee shall be granted another paid day off during the month in which the holiday was celebrated, whenever possible. If this is not possible, the employee shall receive 12 hours of straight time pay in lieu of the day off.

# 3.14. Exempt Employees

- A. Exempt employees are not covered by the overtime provisions of the FLSA and are not eligible to receive overtime compensation. They are expected to work at least forty (40) hours per week and may need to work additional hours to complete work responsibilities. They may use reasonable discretion, with the approval of their supervisor, to adjust their regular work schedule following extended periods of work over 40 hours per week or the Town Manager may award additional time off.
- B. While employees in exempt positions are not normally eligible for overtime compensation, the Town may choose to award additional pay or administrative leave, under designated

circumstances, when approved in advance by the Town Manager, after consultation with Town Council.

# 3.15. Pay Period and Compensation

A. The Town of Bowling Green pay period occurs twice in a calendar month. The first pay period ends on the 15th day of the month, and the second pay period ends on the last day of the month.

B. Pay checks will be issued on the 1st day of each month and the 16th day of each month. Distribution of pay checks is subject to adjustment when these dates fall on weekends and holidays. In such circumstances, pay checks will be distributed the day before the weekend or holiday. The date of calculation of payroll may be adjusted when work schedules require that payroll be calculated earlier than normally scheduled.

C. All other matters are administrative in nature and will be the responsibility of the Town Manager. The Town Manager will review and sign all time sheets and will work with the Finance Director/Treasurer to ensure that all employees of the Town are paid promptly.

E. The Town of Bowling Green offers the option of "Direct Deposit" of pay checks, and employees shall note that such deposit could take up to two days after payroll is calculated to reach the employee's bank account.

# Section 4. Equal Opportunity Employer

# 4.1. Equal Opportunity Statement

The Town of Bowling Green does not unlawfully discriminate in employment or in the provision of services on the basis of race, color, national origin, religion, gender, age, marital status, pregnancy, or disability.

# 4.2. Equal Employment Opportunity (EEO) Policy

- A. Equal Opportunity Employer: The Town maintains and promotes equal opportunity for all employees and applicants for employment in accordance with relevant State and Federal laws. The Town will not tolerate any form of discrimination. The Town will make all decisions regarding recruitment, hiring, promotions, reassignments, training and other terms and conditions of employment without unlawful discrimination. The Town will not discriminate based on race, color, religion, sex, national origin, age, physical or mental disability, military status, status as a veteran, marital status, pregnancy, childbirth or related medical conditions (including lactation), sexual orientation, gender identity, or any other basis prohibited by Federal or State law which is unrelated to the ability to perform the essential functions of the position.
- B. Allegations of discrimination will be thoroughly investigated, and disciplinary or corrective action taken as warranted. The Town will not tolerate threats or acts of retaliation against individuals who report inappropriate conduct pursuant to this policy or provide information in connection with a report by another individual.
- C. Employees who experience conduct in violation of this policy should make it clear to the offending party that such behavior is offensive to them. The employee, upon occurrence of the inappropriate conduct or its repetition, should bring the matter to the attention of the employee's immediate supervisor and/or Department Director depending on department's chain of command. An employee who is uncomfortable for any reason bringing such matter to the attention of their immediate supervisor should report directly to the Town Manager.

# 4.3. EEO Officer's Responsibility

- A. The Town Manager shall be designated as the Equal Employment Opportunity Officer responsible for performing the following duties and functions:
  - 1. Be responsible for the overall administration of the Equal Employment Opportunity policy.
  - Ensure that all job vacancies are advertised to as diverse an audience as practical and that good
    faith efforts are made to recruit and consider qualified applicants and employ them without
    regard to race, color, national origin, religion, gender, age, marital status, pregnancy, or
    disability.

- 3. Monitor to ensure that the benefits and conditions of employment are available to all employees in a uniform and nondiscriminatory manner.
- 4. Provide guidance on being EEO compliant.
- 5. Foster a work environment where each person is treated with dignity, fairness, and respect.
- B. Town Council may appoint an alternate EEO Officer who may be consulted by employees in the event the Town Manager is not available or is not perceived to be sensitive to the needs of the employee.

### 4.4. Department Director's Responsibilities

- A. Department Directors have an increased responsibility for their own conduct as well as for all employees who work under their supervision. Department Directors or others who are in the chain of command shall act in an exemplary manner at all times.
- B. These employees shall not date or otherwise engage in intimate relationships with subordinate employees.

#### 4.5. Harassment

- A. The Town of Bowling Green is committed to providing a workplace that is conducive to the performance of job duties and free from intimidation, abuse or coercion in any form. Harassment in any form is NOT acceptable and subject to disciplinary action, up to and including termination. All employees shall be treated with respect.
- B. The Town recognizes its obligation to maintain a place of employment free of harassment, abusive, or disruptive conduct, and shall take positive and prompt corrective action where necessary in accordance with Town policies.
- C. Employees have a responsibility to conduct themselves in a manner which ensures the proper performance of their job responsibilities and maintains the public confidence.
- D. Workplace Harassment. Workplace harassment is any unwelcomed verbal, written or physical conduct that either degrades or shows hostility toward a person based on race, gender, color, national origin, religion, age, marital status, sexual orientation, pregnancy, disability or any other characteristic protected by applicable Federal, state or local laws, that creates an intimidating hostile or offensive work environment, unreasonably interferes with an employee's work performance, and affects an employee's employment opportunity or compensation. Conduct that may rise to the level of harassment includes verbal remarks (epithets, derogatory statements, slurs, jokes), physical contact (assaults, physical interference with movement or work, touching), visual displays (displaying of printed or photographic materials, objects), and other actions that are demeaning or hostile.

#### E. Sexual Harassment

1. Sexual harassment is unwelcome advances, requests for favors, or other verbal or physical conduct of a sexual nature when:

- a. Submission to such conduct is either explicitly or implicitly made a term of condition of employment;
- b. Submission or rejection of such conduct is used as a basis for employment decisions; or
- c. The conduct is severe or pervasive enough to create an intimidating, hostile, or offensive work environment.

#### 2. Examples of sexual harassment are:

- a. Physical assaults;
- b. Subtle or overt pressures or direct requests for sexual favors;
- c. Inappropriate displays of sexually suggestive objects or pictures; or
- d. A pattern of unwelcome conduct of a sexual nature that would be offensive to a reasonable person such as unnecessary touching, abusive or demeaning language or gestures (including remarks about another's clothing, body or body movements, or sexual activities), or teasing or joking.
- 3. No supervisor or coworker shall explicitly or implicitly communicate that an employee's submission to or rejection of sexual advances will in any way influence any personnel decision regarding that employee's employment, evaluation, wages, advancement, assigned duties, shifts, or any other conditions of employment.
- 4. A non-employee who subjects an employee to harassment or discrimination in the workplace will be informed of the Town's policy and appropriate actions will be taken to protect the Town employee from future harassing conduct.

#### F. Complaints

- 1. An employee who believes that the Equal Employment Opportunity policy is being violated should report the conduct immediately to the EEO Officer (Town Manager). The report should be made in writing; however, a report will also be accepted by phone or in person.
- 2. Charges shall be promptly, and thoroughly investigated and corrective actions taken if the charge is founded. If it is determined that a violation has occurred, appropriate relief for the employee(s) bringing the complaint and appropriate disciplinary action, up to and including discharge, against the person(s) who violated the policy will follow.
- 3. Employees who are eligible may also utilize the Town Grievance Procedure in order to resolve complaints regarding discriminatory practices.

#### G. Retaliation

- 1. Employees who bring complaints of discrimination or who identify potential violations, witnesses interviewed during the investigation, and others who may have opposed discriminatory conduct, are protected from retaliatory acts.
- 2. If an employee believes that retaliation has occurred, the employee should make a report, preferably in writing, to the EEO Officer (Town Manager).

# Section 5. Accommodating Persons with Disabilities

### 5.1 Accommodating Individuals with Disabilities

- A. The Town provides equal employment opportunities to qualified individuals with disabilities. An interactive discussion about reasonable accommodation will take place and the Town will provide reasonable accommodation to a qualified employee or applicant with a disability when those individuals request an accommodation, unless such an accommodation would impose an undue hardship. A qualified employee or applicant is one who can perform the essential functions of the job with or without accommodation. The policy regarding requests for reasonable accommodation applies to all aspects of employment, including the application process.
- B. The Town will facilitate an interactive discussion and provide reasonable accommodation for employees with known physical or mental limitations related to pregnancy, childbirth or related medical conditions, including lactation and private facilities for expressing breast milk, unless the accommodation imposes an undue hardship.

# 5.2. Requests for Accommodations

- A. A qualified person requesting an accommodation shall make a request for such accommodation and identify their needs. Although it is preferable for the request to be made in writing, a request may be made orally. The request shall be made to the Town Manager. Once a request for an accommodation is made, the Town Manager shall engage in an interactive discussion with the requesting person.
- B. The Town Manager will discuss the request with the Department Director and discuss the range of accommodation that may be reasonable for the employee's disability. If it is determined that an accommodation is reasonable, the Town Manager shall be responsible for implementing the accommodation required. If it is determined that the accommodation is not available, the employee will be informed.

# 5.3. Applicants for Employment

- A. Job interview questions shall follow EEO guidelines and all applicable laws and focus on the candidate's abilities, not disabilities.
- B. If there is a need for an accommodation in order to complete the application process, the applicant should inform the Department Director as soon as the need is known. Once a provisional offer of employment is made, the applicant may request accommodation in order to perform the essential functions of the position. The Town Manager will review the candidate's request and make the accommodation, if reasonable and no safety risk will result.

# 5.4. Confidentiality of Information

All medical information and information regarding a person's disability will be kept confidential and no information referencing such will be kept in the employee's personnel file. If certain information regarding the disability may need to be disclosed, it will be disclosed on a need-to-know basis to ensure that the accommodation is effective and continues to be reasonable.

# Section 6. Recruitment and Selection

# 6.1. Basic Requirements for Employment with the Town of Bowling Green

A. Those who are employed, or wish to be considered for employment, with the Town shall:

- 1. Possess and meet at least the minimum qualifications for the position they hold or for which they are applying;
- 2. Provide evidence of eligibility for lawful employment;
- 3. Be able to perform, physically and mentally, with or without reasonable accommodation, the essential duties of the position;
- 4. Not have made a false statement of any material fact on their application or during the selection process;
- 5. Have not been dismissed previously for disciplinary reasons from a position with the Town or allowed to resign in lieu of termination within the past three years; and
- 6. Not have used or attempted to have used political pressure or bribery to secure an advantage in any stage of the selection process.

# 6.2. Town Council Appointees

The Town Council shall employ the Town Manager and the Town Attorney who shall serve at the will and pleasure of Town Council and do so in accordance with Employment Agreements as adopted by Town Council.

# 6.3. Town Manager Responsibilities

A. The Town Manager shall:

- 1. Hire all Town employees (with the exception of the Town Attorney);
- 2. Approve the methods by which recruitment is conducted;
- 3. Review all selection methods; and
- 4. Review compensation of all new employees to determine that it conforms to the Town's current compensation plan.

#### 6.4. Recruitment

A. All positions, full-time and regular part-time, shall be filled via open, competitive recruitment in accordance with guidelines established by the Town Manager. Advertisements of vacancies shall be placed in the media and posted at Town's facilities. Seasonal and temporary part-time positions may be filled through appointment or a competitive a process at the discretion of the Town Manager.

B. Recruitment shall normally be open to the general public except in instances when the Town Manager determines that internal recruitment best serves the interest of the Town.

C. At times it may become necessary for a position to be reclassified which for purposes of this policy, is not to be deemed to be considered recruitment. Reclassifications occur when the employee's job duties have changed through evolution and interdepartmental task restructuring. The reclassification may result in a new position title for the incumbent.

#### 6.5. Internal Recruitment

The Town Manager may limit recruitment to existing employees upon determination that there are sufficient qualified applicants. "Employees Only" job announcements shall be posted throughout Town facilities. If no internal applicants with suitable qualifications apply, advertisement of the position opening shall be made to the public.

### 6.6. Position Description

A. Position descriptions shall state the essential duties, level of responsibility and required qualifications for a particular position. Every position shall be assigned to a pay grade.

B. Prior to recruiting, the Town Manager in coordination with the Department Director shall review and, if necessary, update the position description. All position descriptions and updates shall be approved by the Town Manager.

#### 6.7. Sources of Recruitment

- A. The Department Director shall notify the Town Manager as soon as they know that a position will become vacant. When a vacancy occurs, the Town Manager shall decide whether the position should be filled, and if an internal recruitment or an open recruitment process will be used, prior to advertising.
- B. All job announcements shall be coordinated between the Town Manager and the affected department to ensure the content of the advertisement conforms to Town policy and the position description.
- C. Job announcements must, at a minimum, contain the position title, the department in which the vacancy exists, the nature of the work or examples of the work, minimum qualifications, the application closing date, where applications may be obtained, whether the position is exempt from overtime, and the statement, "The Town of Bowling Green is an Equal Opportunity Employer". As needed, the Town Manager may extend the application closing date or authorize a continuous recruitment process.

D. Every reasonable effort shall be made to publicize job vacancies so that all interested parties are informed and qualified individuals are encouraged to compete for Town employment.

### 6.8. Applications

- A. All candidates for employment shall submit a completed Town Job Application form prior to the application deadline. Resumes shall not be accepted in lieu of a completed Town Job Application form.
- B. To be considered, applicants shall indicate the specific position of interest and sign and date the Town Application form.

# 6.9. Screening

- A. All applications shall be carefully screened and evaluated by the Department Director according to the criteria established in the position description. Those applicants whose knowledge, skills, and abilities most closely align with those required by the position shall be invited for an interview.
- B. All tests and selection methods shall be approved by the Town Manager prior to being used.
- C. In determining qualified applicants, the Town may use, but shall not be limited to, one or a combination of the following selection methods:
  - 1. Evaluation of experience;
  - 2. Written and skills tests;
  - 3. Performance tests;
  - 4. Driving records;
  - 5. Interviews;
  - 6. Reference and background checks;
  - 7. Post offer medical and physical agility examinations; and/or
  - 8. Criminal Background Checks and general police information background checks, in compliance with FCRA.
- D. An applicant who refuses to participate in any phase of the selection process shall be considered to have withdrawn from the applicant pool and shall receive no further consideration.

#### 6.10. Interviews

A. All questions to be asked in the interview must be approved by the Town Manager to determine and verify that there are no inherent violations of Equal Employment Opportunity (EEO) and Americans with Disabilities Act (ADA) laws. The most qualified applicant and best suited for the position(s) will be offered the job.

B. If the Town Manager finds no applicant qualified and suitable for the position as a result of the prescribed process, the vacancy may be re-advertised.

# 6.11. Testing

Where appropriate, the department may test specific and essential job skills that are required to fulfill the duties of the vacant position. Such tests shall be designed and the parameters for satisfactory completion shall be determined by the affected Department Director with the approval of the Town Manager. All testing shall be consistent with state and federal regulations concerning employee selection, including Title IV and the Americans with Disabilities Act (ADA).

#### 6.12. References and Credentials

The Department Director will have all credentials and references verified before recommending an applicant to the Town Manager.

# 6.13. Selection and Notification of Employment Offer

- A. After selecting a finalist for a vacant position, the Department Director shall provide a written recommendation to the Town Manager including justification for the recommendation and the recommended starting pay rate.
- B. If approved by the Town Manager, the Department Director shall contact the applicant to make a provisional offer of employment orally. If any physical or medical (including drug and alcohol testing); testing requirements must be met, they shall be done at that time.
- C. The formal job offer shall be made in writing by the Town Manager after all testing is completed.

#### 6.14. Criminal Records Check

- A. In the interest of the public welfare and safety, applicants for employment with the Town may be subject to a pre-employment national criminal records check.
- B. Upon receipt of information which indicates a prior criminal conviction, the Town Manager will consult with the Department Director to determine if there is a connection between the crime for which the applicant was convicted and the employment position being sought.
- C. In cases where the conviction record is determined to be incompatible with the nature of employment, the applicant shall be removed from further consideration and a provisional employment offer, if applicable, shall be withdrawn. The decision of the Town Manager shall be final. Criminal history records shall be kept confidential.

#### 6.15. Medical Examinations

A. Applicants for employment may be required to complete a physical examination only when the job specifications contain such a requirement. Following a provisional offer of employment, a physical examination will be arranged by the Town Manager at the Town's expense. The medical report must be completed by a Town-approved physician and be received and reviewed in

conjunction with the essential requirements of work as described in the position description prior to the issuance of a written final, offer letter.

B. Employees must continue to meet, as a condition of employment, the physical standards established in the job specifications for the assigned position and may be required to complete a fitness for duty examination at any time after employment when recommended by the Department Director.

### 6.16. Residency

Employment shall not be limited to Town residents. All employees must be available and accessible to perform the duties and responsibilities required of their jobs.

# 6.17. Employment of Close Relatives

- A. The Town does not employ immediate family members of present employees in a supervisorysubordinate relationship, or in any other relationship which the Department Director considers to be detrimental to the functioning of their department.
- B. The State and Local Government Conflict of Interest Act (Virginia Code §2.2-3109) allows the employment of immediate family members of Town officers or employees, only if the officer or employee does not exercise any control over the employment or the employment activities of the family member and the officer or employee is not in a position to influence those activities.
- C. Policies stated in this Section shall not adversely affect persons employed by the Town of Bowling Green on the date of adoption of these policies.

# 6.18. First Day of Work

Department Directors shall inform all new employees of the need to schedule an appointment to meet with the Town Manager on the first day of work to complete various employment forms and to become oriented to the benefits associated with the position.

# 6.19. Emergency Hiring

Should circumstances and conditions necessitate the hiring of personnel in an abbreviated manner, the Department Director shall make a written request for authority to hire on an emergency basis from the Town Manager. No employment commitment shall be made prior to the Town Manager's approval.

# 6.20. Staffing through Temporary Agencies

From time to time, a department may have an immediate workload demand that can be met only by additional staff for a short duration. If the Department Director determines the department's need is best met by using a temporary employment agency which has available personnel that meet all requirements of the position(s) and department funds are available, all arrangements for such contract workers shall be made by that department in conjunction with the Town Manager. The duration of the contract with the temporary employment agency shall be no longer than 90 calendar days, unless

a longer period is approved by the Town Manager. Contract workers are not "employees" of the Town.

# 6.21. Acting Assignment

- A. An employee may be temporarily assigned to a vacant position, or a prescribed set of duties, other than those found in the position description under certain circumstances. These circumstances include but are not limited to:
  - Temporary vacancies created by the resignation of an employee;
  - Emergencies occasioned by abnormal workload or organizational changes;
  - Absences pending official assignment of personnel;
  - Performance of duties pending the development and classification of a new position;
  - Purposes necessary to meet the needs of the Town.
- B. Acting assignments and the reasons thereof shall be made a part of the employee's personnel file. The employee's pay while on acting assignment may change, at the discretion of the Town Manager, if the employee is required to work in the full capacity of a higher classified position for a period equivalent to thirty (30) workdays or longer. Requests for "Acting Pay" shall be made in writing by the Department Director and forwarded to the Town Manager for approval in advance of the employee assuming an acting assignment.

#### 6.22. Transfer

A transfer is the lateral move of an employee from one position to another position with a similar level of responsibility. Transfers shall be authorized by the Town Manager upon the recommendation of the Department Director. An employee who transfers from one position to another may be subject to a 6-month performance evaluation in the new position.

#### 6.23. Promotion

A promotion is the selection of any employee for a position with a higher level of responsibility in a higher pay grade. An employee may compete with external and/or internal applicants for a promotional opportunity. Promotions require the approval of the Town Manager and the satisfactory completion of satisfactory performance as documented in a 6-month performance evaluation.

# 6.24. Employment of Minors

- A. Persons employed by the Town shall normally be a minimum of eighteen (18) years of age. In special circumstances such as the Summer Jobs Program where it is not possible or preferable to recruit a qualified applicant who has reached their eighteenth birthday, employment of a child must be conducted in accordance with the state and federal child labor laws and regulations.
- B. Prior to employing a child, under sixteen (16) years of age, the Department Director must have on file a completed Employment Certificate which shall be obtained by the child from the Superintendent of Caroline County Schools or the Superintendent of the school district in which the minor resides. The child must also provide proof of age prior to commencing work.

#### 6.25. Political Activities

A. Every employee is entitled to exercise the right to vote, to express political opinions, or to join any political organization. However, pursuant to Section 15.2-1512.2, of the Code of Virginia, no employee shall:

- 1. Engage in political campaigning or electioneering while on duty;
- 2. Directly or indirectly coerce, attempt to coerce, command, or during work hours advise a Town employee to pay, lend or contribute anything of value to a party, committee, organization, agency or person for political purposes;
- 3. Discriminate against any employee or applicant for employment because of that person's political affiliations or political activities, except as such affiliation or activity may be established by law as disqualification for employment.
- B. Employees are prohibited from suggesting or implying that a locality has officially endorsed a political party, candidate, or campaign.

# Section 7. The New Employee

#### 7.1. Orientation

A. The Town of Bowling Green recognizes the importance of a sound orientation program to ensure that new employees have a clear understanding of their duties, how to perform them and the relationship of these duties to the department and the overall operation of the Town government.

B. On the first day of work, the Department Director shall arrange for new employees to meet the Town Manager and the staff. The new employee will be required to provide pertinent information necessary to be placed on the Town's payroll. Employees may receive a packet beforehand to process the required information in a more leisurely manner.

# 7.2. On-the-Job-Training

The Department Director will explain job responsibilities, duties, work schedule, working conditions and general information regarding the department's facilities, organization, and standard operating procedures and provide guidance on how the employee may meet expected performance.

### 7.3. Probationary Period

A. All full-time and regular part-time employees shall be subject to a probationary period for the 6 months immediately following their date of hire. The probationary period is regarded as an integral part of the evaluation process. It is used to closely observe the employee's performance to ensure the effective adjustment of the new employee into the position.

B. Probationary employees may be terminated from employment at any time during the probationary period at the discretion of the Department Director after consultation with the Town Manager. The provisions of the Town's grievance procedures are not available to probationary employees.

# 7.4. Probationary Period Performance Review

The Department Director may conduct a formal evaluation of probationary employees prior to the end of the probationary period.

# 7.5. Satisfactory Completion of Probationary Period

If the rating on the performance review is satisfactory, the employee will move from probationary to on-going status and is eligible for a 5% pay increase. An assessment reflecting less than satisfactory progress may be sufficient grounds for immediate termination of employment.

# 7.6. Extension of Probationary Period

- A. If an employee has not achieved satisfactory performance during the probationary period, but has demonstrated the potential to succeed, or the probationary period is insufficient to determine whether the employee can handle the new position, the employee's probationary employment period may be extended at the discretion of the Department Director and with the approval of the Town Manager. Such extension shall not be for a period longer than 60 days. A corrective action plan may be used in conjunction with any extension.
- B. An employee who is absent during the probationary period for five or more consecutive workdays may have the probationary period extended for the length of time of each such consecutive absence.
- C. Continued employment following the conditional or probationary period is contingent on acceptable job performance and compliance with these Policies.

# 7.7. Substantial Change in Job Responsibility

Upon a voluntary change in position classification (including, but not limited to promotion, demotion, lateral transfer and reclassification), an employee will be subject to close performance review and must perform at a satisfactory or higher level. If an employee is removed from the position for not successfully performing at a satisfactory level in the new position, the employee may be re-employed in their former position if there is a vacancy in that position classification. This provision does not apply to an employee who is involuntarily placed in a different position classification.

### Section 8. General Rules

### 8.1. Purpose

The following policies set forth general operating procedures.

#### 8.2. Official Hours

- A. The official hours for the public transaction of Town business are normally from 9:00 a.m. until 5:00 p.m., on days designated by the Town Manager. Operational departments are typically open 7:00 a.m. to 3:00 p.m. Monday Friday. The Town Manager may establish different official hours for the departments, depending on the functions and operations involved.
- B. Because of the variety of services that departments provide, an employee's work schedule may be different from the official hours. However, a full-time employee is expected to work forty (40) hours per workweek. Sworn public safety employees may have an alternate work cycle and workweek.

### 8.3. Holidays

**Holiday** 

A. Town offices shall be closed on officially designated state holidays. Employees who provide public safety or other essential services may be required to work on holidays.

Offices Closed

B. The Town shall observe the following holidays:

#### New Year's Day January 1 Martin Luther King, Jr. Day 3rd Monday in January President's Day 3rd Monday in February Memorial Day Last Monday in May **Juneteenth** June 19 Independence Day July 4th First Monday in September Labor Day 2nd Monday in October Indigenous Peoples Day Election Day The Tuesday following the first Monday in November November 11th Veteran's Day Thanksgiving Day 4th Thursday in November Day after Thanksgiving 4th Friday in November December 25 Christmas Day

C. In addition to the holidays listed above, the Town Council may designate any other day or part of a day as an official holiday. If one of the above holidays falls on a Saturday, the preceding Friday will be observed as the designated holiday; if the holiday falls on a Sunday, the following Monday will be observed as the designated holiday. Salaried employees shall receive paid time off for a holiday.

- D. Each full day holiday shall be valued at eight hours, and a one-half day holiday shall be valued at four hours. In the case of employees whose regular work schedule is other than eight (8) hours, the difference in time shall be made up by the employee after discussion with the appropriate Department Director. For Department Directors, discussion of this matter shall be held with the Town Manager. Options may include working additional hours, taking Compensatory Leave, or taking Annual Leave. The needs of the Town will be considered by the Town Manager and Department Directors in making such decisions.
- E. When a holiday falls within a period of paid leave, the holiday shall not be counted as a leave day in computing the amount of leave used. An employee who is absent without leave on the day immediately preceding or following a holiday shall not be paid for the holiday and the day shall be recorded as absent without leave.

### 8.4. Service Recognition

Employees shall be recognized upon satisfactory completion of intervals of five (5) years of service as follows: five years, ten years, fifteen years, twenty years, twenty-five years, thirty years, and each subsequent five-year period of service.

### 8.5. Retirement Recognition

Individuals who elect to retire after five (5) consecutive years of full-time Town employment shall be recognized by the Town Council. To retire means to apply for and receive retirement annuity benefits from VRS.

# 8.6. Closing of Town Offices Due to Severe Weather

- A. Town offices may be declared closed by the Town Manager during periods of severe weather and/or when the health and safety of employees may be at risk. When weather conditions are serious enough to raise questions about driving safety or whether Town offices will be open, employees should visit the Town's official webpage, Facebook page and/or listen to local radio stations for relevant announcements. Aside from the Town Manager's declaration of the closing of Town offices, all Town offices shall be closed when Caroline County officers declare County offices are closed for such reasons as herein explained.
- B. When Town offices are closed, non-essential employees who are not required to report to work during shall be paid their normal rate of pay without charge to paid leave. Designated essential employees are required to report to work and will earn one and a half times their regular pay for the hours worked. Essential employees are normally identified and informed in advance by the Department Director.
- C. Liberal Leave. When Town offices are open during inclement weather, the Town Manager may declare a liberal leave policy to be in effect. Under the liberal leave policy, employees who are in non-essential positions (as determined by Department Directors and reported to the Town Manager) may elect not to report to work and may have their absence or late arrival charged to annual leave, compensatory leave and/or leave without pay, without having received approval in advance. The employee, upon returning to work, must submit a leave form for any time the employee was absent from work while Town offices were open.

D. Previously Approved Leave Restored. Employees who were previously approved for annual, sick, and/or compensatory leave prior to Town offices closing shall not have such time charged against their leave balances to the extent that such time coincided with the period that Town offices were closed.

### 8.7. Punctuality

Employees are expected to report to work on time and adhere to their scheduled work hours. The efficient and effective service to Town residents and businesses requires regular attendance and punctuality of all employees. Therefore, absenteeism, tardiness, and leaving work early will not be tolerated because such behavior is disruptive. All time away from work must be approved in advance; otherwise, it will be counted as an unexcused absence. Exempt employees are expected to work all regularly scheduled hours and additional hours if such are necessary to accomplish assigned tasks.

#### 8.8. Flexible Work Schedules

Department Directors may recommend to the Town Manager flexible work schedules for all or some of the position classifications where appropriate. No flexible or alternative work schedules shall be implemented without the prior approval of the Town Manager.

# 8.9. Required Certifications and Licenses

The minimum qualifications for certain positions may include specific professional or technical certifications or licensing requirements. Those employed in such positions shall maintain the required certification or licensure to continue employment with the Town. Town Council encourages all employees to achieve certifications and higher-grade licensure.

# 8.10. Appearance

#### A. Uniformed Personnel

- 1. Employees must maintain uniforms in a neat, clean, and orderly manner. Employees are expected to begin their work period with a uniform in proper order. The complete uniform, including the employee's name clearly noted, must always be worn while on duty. No uniform may be altered or changed in appearance. Any employee not wearing the assigned uniform may be sent home on leave without pay to change and the time counted as an unexcused absence.
- 2. An employee who loses a uniform more than once will be responsible for the cost of replacing the uniform. The employee will be required to pay cash for the replacement or with the employee's consent the replacement cost may be deducted from the next regular paycheck.
- 3. It is the employee's responsibility to make the Department Director aware of the need to replace uniforms.

#### B. Non-Uniformed Personnel.

During work hours, employees are representatives of the Town and are required to dress and groom themselves in a manner that portrays a professional image.

#### 8.11. Use of Tobacco Products

In the interest of the health and the well-being of employees and the public, the use of tobacco products, including vaping, is not permitted in Town owned or leased buildings or vehicles.

## 8.12. Use of Town Equipment

The Town provides employees with tools and office equipment intended for use while performing Town business. This equipment (including, but not limited to, copiers, facsimile machines, carpentry, lawn care tools, plumbing, earth-moving equipment, and vehicles, etc.) is not intended for an employee's personal use. Removal or unauthorized use of Town property without authorization is prohibited and is subject to discipline, up to and including dismissal.

# 8.13. Computers and Other Wire, Digital, and Electronic Communication Devices

- A. Each employee who is authorized to use a computer terminal, personal computer, the Internet, or other wire, digital, or electronic communication device ("communication equipment") is responsible for maintaining, preserving, and securing the information received, sent and stored. Communication equipment includes, but is not limited to, electronic mail (e-mail), facsimiles, Internet, pager, copier, radio, cell phone, computer server, and telephone.
- B. An employee has no right to confidentiality of their use of Town (owned or leased) equipment. All messages received, transmitted, or stored on the Town's communication equipment is subject to, at any time and without notice, the monitoring of, use, and the reading of the messages.
- C. Employees who engage in excessive or abusive personal use of any communication equipment will be subject to disciplinary action.
- D. Telephones. Town telephones are intended for official use only while conducting Town business. Personal calls should be as brief and as infrequent as possible.
- E. Prohibited Uses. The following actions illustrate some of the prohibited uses of the communications equipment:
  - 1. Sending messages which are harassing or discriminatory;
  - 2. Use of abusive or obscene language in either public or private messages;
  - 3. Using the Internet in any manner violating federal, state, or local laws or statutes including copyright laws;
  - 4. Knowingly changing any computer file that was not generated by the user ("user" shall include any person in the chain of supervision);
  - 5. Use of Internet for sending, viewing, or retrieving pornographic materials, inappropriate text files or files dangerous to the integrity of the network;
  - 6. Circumventing security measures;

- 7. Attempting to gain access to another person's resources, programs, or data, without consent;
- 8. Vandalizing, which is defined as any malicious attempt to harm or destroy, Town equipment or data on the network or the Internet. This includes the uploading or creating of computer viruses; or
- 9. While using the Internet, falsifying one's identity to others, username, and/or allowing another person to use the employee's password.

#### 8.14. Vehicle Use

- A. Designated employees are authorized to utilize Town vehicles for commuting purposes ("take-home vehicles"). Take-home vehicles are intended specifically to enable employees to respond directly from home to calls for service. Transporting passengers other than Town employees or other authorized persons in a take-home vehicle is prohibited. Take-home vehicles are not to be used for personal business with the following limited exceptions:
  - 1. Travel to and from lunch or medical appointments, that could not be otherwise scheduled, during the workday, provided the distance traveled is reasonable; and
  - 2. Personal errands on the way to and from work, or during the lunch break, if the errand requires only a minor deviation from the normal route traveled.
- B. An employee will be taxed according to prescribed IRS rules and regulations for any compensatory benefit received from the personal use of the take-home vehicle. It is the responsibility of the employee to notify the Department Director if there has been a change in vehicle use.

# 8.15. Reimbursement for Expenses Incurred

A. Town employees and officials (members of the Town Council, the Planning Commission, the Board of Zoning Appeals, etc.) may incur certain expenses in connection with performing official Town business. Town employees and officials will be reimbursed for reasonable and appropriate expenses in the following manner.

#### 1. Vehicle Expense

- a. When a Town owned vehicle is not available and a personal vehicle must be used for official Town business, the employee/official will be reimbursed for mileage at the current rate established by the Internal Revenue Service. Tolls and parking fees, documented by a receipt, shall be reimbursed.
- b. No reimbursement will be made for expenses related to the operation or maintenance of the personal vehicle, unless otherwise approved by Town Council as part of an employment contract
- c. Mileage driven while on Town business shall be recorded on a mileage reimbursement form indicating the date, destination, purpose, and total mileage of individual trips. Mileage reports shall be approved by the appropriate Department Director or the Town Manager and processed for reimbursement.

#### 2. Travel Expenses

- a. Out-of-area trips, involving an overnight stay on official business must be approved in advance by the Town Manager. The preferred method of payment for lodging and travel by common carrier is to have costs paid in advance using either direct billing or credit card billing to the Town.
- b. Reasonable and necessary expenses for overnight travel will be reimbursed upon the presentation of a receipt or other appropriate documentation and approval by the Town Manager. This includes the use of a personal vehicle (if necessary), airline, train, bus or other common carrier transportation, taxi or cab service, rental vehicle (pre-approved), tolls, parking fees, business telecommunications, lodging and meals (including gratuities not to exceed 15%). Alcoholic beverages may not be charged to the Town and must be excluded from any receipt submitted.
- 3. Miscellaneous Business Expenses. Other reasonable and appropriate expenses (such as operating supplies, material, or equipment), necessary for the conduct of Town business may be procured if such procurement comports to the Town procurement policies. When direct billing or the use of a Town credit card is not possible and purchases must be made, a Town employee/official will be reimbursed if such purchases are evidenced by a written receipt or other appropriate documentation and approved by the Town Manager.
- B. The Town Manager may develop travel guidelines for travel expenses and employees/officials are expected to adhere to these guidelines.

#### 8.16. Solicitations

Solicitations for private businesses or individuals, outside organizations, civic and other non-profit organizations and their fund-raising events are prohibited unless approved in advance by the Town Manager. No literature or announcements of outside organizations shall be distributed or posted without the prior approval of the Town Manager.

# 8.17. Outside Jobs

- A. An employee may have an outside job or engage in business activities provided that such supplemental employment or business activities do not impair job performance with the Town, is not done during work, and does not create a conflict of interest.
- B. Prior to the acceptance of outside employment, the employee must seek approval from the Town Manager.
- C. Outside employment or business activities cannot be engaged in while on sick leave or workers' compensation. An employee may be asked to terminate outside employment or business activities if such activities interfere with Town duties or represent a conflict of interest.

#### 8.18. Personnel Files

A. There will be one official personnel file for each employee, and such file will be maintained in the office of the Town Manager. The official personnel file may include several sets of documents, some of which are marked confidential. Medical files shall be maintained in separate files. The

official personnel file may be reviewed by the employee during normal office hours; it is recommended that an appointment be made. The official personnel file may be reproduced in Town Hall at the request of the employee.

- B. Persons, other than the employee, having access to the official personnel file will be designated by the Town Manager. If an employee is physically or mentally unable to review the file, the authorized representative of the employee may access the file. The Town Manager and Treasurer have access to all payroll and timekeeping records and may access the personnel file to submit these records into that file.
- C. An employee may request, in writing, that inaccurate or no longer timely information in the employee's personnel file be corrected or purged; if such request is denied, the employee may provide supplemental information or a statement no longer than 200 words.
- D. Information in the personnel file will be released when subpoenaed or by Court Order or pursuant to the Freedom of Information Act, as applicable.

#### 8.19. Personal Information

Employees must notify the Town Manager of any changes in personal information, (e.g. phone and cell numbers, names of dependents, and spouse, home, and P.O. addresses, etc.). It is critical that all information be kept up to date. It is important to remember to update marital status, name of spouse, and all minor children, addresses and phone numbers. Any problems incurred by the Town's use of out-of-date information are not the responsibility of the Town.

# 8.20. Verification of Employment and Employment References

All requests for employment references and verification of employment or pay for current and former employees shall be referred to the Town Manager. Employees shall not supply information regarding the employment history of any former or current employee to any inquiring party.

# 8.21. Public Inspection of Personnel Information

The name, title, and pay of current and former employees shall be available for public inspection during business hours and in accordance with such procedures as the Town Manager may prescribe. The Government Data Collection and Discrimination and Freedom of Information Acts govern the public availability of employee records.

#### 8.22. Destruction of Records

- A. The retention and destruction of official records, including the official personnel files shall be governed by the Virginia State Library in accordance with the Virginia Public Records Act and applicable federal laws.
- B. Personnel files and any other records may be kept longer than the minimum required under the VPRA at the discretion of the Town Manager.

#### 8.23. Conflict of Interests

- A. All employees are subject to the State and Local Government Conflict of Interests Act, 2.2-3100 et. seq. of the Code of Virginia (the "Act"). Whenever an employee or close family member or dependent of the employee may directly or indirectly financially benefit from a transaction or a contract to which the employee has a personal interest, a potential conflict of interest may arise. An employee is subject to disciplinary action if the employee accepts gifts or gratuities from any individual, organization or business concern with whom they have official relationships in the business of Town government. These limitations are not intended to prohibit the acceptance of articles of negligible value which are distributed generally, nor to prohibit employees from accepting social courtesies which promote good public relations, nor to prohibit employees from obtaining loans from regular lending institutions. It is particularly important that inspectors, contracting officers, and enforcement officers guard against relationships which might be construed as evidence of favoritism, coercion, unfair advantage or collusion.
- B. The provisions of the Act govern the acceptance of gifts and gratuities, and Town employees should familiarize themselves with the provisions of that Act. Town-related business trips paid for by others must receive prior approval from the Town Manager, as applicable. Although certain courtesy gifts of nominal value may be accepted under law, generally employees should discourage any gifts whenever possible.
- C. A knowing violation of the Act is punishable as a Class 1 (and up to a Class 3 for certain violations by members of Town Council) misdemeanor under state law. Whenever a potential conflict arises, the employee is advised to request a written opinion immediately from the Town Attorney, Commonwealth's Attorney or the Virgina Conflicts of Interest and Ethics Advisory Council. A copy of the Conflict of Interests Act is available from the Town Manager, or it may be found on the Internet.

#### 8.25. General Ethical Conduct

- A. The following are general rules of ethical conduct to which employees are expected to adhere:
  - 1. Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and respectful attitude toward the public;
  - 2. Be dedicated to the highest ideals of honor and integrity in all relationships in order to merit the respect and confidence of other employees and of the public;
  - 3. Maintain public confidence and trust in Town government through your actions;
  - 4. Conduct official and personal affairs in such a manner as to give the clear impression that you cannot be improperly influenced in the performance of your official duties;
  - 5. Handle all personnel matters on the basis of merit so that fairness and impartiality govern decisions pertaining to appointments, pay adjustments, promotions, and discipline;
  - 6. Not disclose to others, or use to further personal interest, confidential information acquired in the course of official duties.

#### Section 9. Performance

### 9.1. Purpose

- A. Performance conferences and annual reviews inform employees how well they are performing their work and how they can improve their work performance. The review and evaluation process is intended primarily to enhance communication on performance expectations between employees and their Department Directors and the Town Manager. The performance review is intended to:
  - 1. Determine the level of the employee's performance and inform the employee about this determination;
  - 2. Identify areas which meet or exceed expectations and those which need improvement; and
  - 3. Identify how the employee and their co-workers can best work together to achieve the department's work goals for the coming year.
- B. Performance evaluations may be used as a factor in determining pay, promotion, demotion, transfer, termination, layoff, or training.

#### 9.2. Performance Plans

The Performance Plan sets forth the expectations for the duties and responsibilities of the position. It describes a proficient level of performance for the duties found in the position job description as well as what new skills and abilities must be attained during the next performance year.

#### 9.3. Evaluations

All employees, except temporary and seasonal part-time workers, shall be evaluated. Evaluation shall occur after five months of the probationary period and then annually prior to the Performance Review Date. Employees who are promoted or transferred to a new position shall be evaluated after five months in the new job and annually thereafter.

# 9.4. Supervisor's Responsibility

Performance evaluations shall be prepared by Department Directors. The Director is expected to regularly review the performance with each employee. The Town Manager will evaluate each of the Department Directors. Each employee shall be provided with a copy of the completed annual performance evaluation form signed by the Department Director; the employee is also expected to sign the evaluation. The employee's signature acknowledges that the review has been shared and discussed and does not indicate agreement with the evaluation ratings. An employee's refusal to sign the evaluation form does not invalidate the evaluation. The reviewer shall note the refusal on the evaluation form, and sign and date the notation.

# 9.5. Employees' Responsibility

Every employee is encouraged to discuss openly with the Director the responsibilities and expectations for future performance. If an employee wishes to supplement or clarify the annual performance evaluation, the employee may submit a written statement within 10 calendar days following the annual performance conference with the Director.

#### 9.6. Confidential Nature of the Evaluation

Copies of annual performance evaluations shall be maintained in personnel files. A performance evaluation shall be made available only to the employee, the Department Director, and the Town Manager. The Town Council shall maintain the evaluation records of council appointees (i.e. Town Manager and Town Attorney), and legal authorities on a need-to-know basis, and pursuant to any other local, state, or federal laws that require its release.

### Section 10. Benefits

Employment benefits are presented in detail to new employees during the orientation with the Town Manager. As benefits change, employees will be notified. The information contained below is an introduction to the benefits and the requirements for obtaining such benefits. Please contact the Town Manager for complete information about current benefits. The Town Council may at any time change the eligibility and participation requirements as well as eliminate any of the following benefits.

## 10.1. Retirement/Disability Benefits - Virginia Retirement System

- A. The Town requires that all full-time employees participate in the Virginia Retirement System (VRS). Employees hired in a VRS covered position prior to July 1, 2010, and vested in VRS by December 31, 2012, are normally participants in Plan 1. Employees hired in a VRS covered position between July 1, 2010, and December 31, 2013, are normally participants in Plan 2. Employees hired into a VRS covered position on or after January 1, 2014, are normally covered under the VRS Hybrid Retirement Plan. Law enforcement officers covered under enhanced hazardous duty benefits are not eligible to participate in VRS Hybrid Retirement Plan and shall be participants in Plan 1 or 2, depending on date of hire into VRS covered position.
- B. The cost of the retirement system is shared between the Town and the Employee. Employees in VRS Plans 1 and 2 are required to contribute a 5%-member contribution through salary deduction on a pre-tax basis-
- C. All participants in the VRS Hybrid Retirement Plan are required to contribute 4% into a defined benefit account with VRS and 1% into a VRS defined contribution account. Hybrid participants can voluntarily contribute up to 4% into the VRS defined contribution account. The contributions shall be made through salary deduction on a pre-tax basis. The Town Manager will notify new employees of the appropriate membership plan and provide the appropriate access information for the VRS Handbook and plan information during orientation.
- D. VRS offers retirement options based on Plan designation, years of service, and age at retirement. Please refer to the Virginia Retirement System for more information (www.varetire.og).
- E. VRS benefits include disability retirement for eligible Plan 1 and Plan 2 members. VRS Hybrid Plan members may be eligible for short- and long-term disability benefits after one-year of full-time employment with the Town. Additional information is available from VRS and the Town Manager.

#### 10.2. LIFE INSURANCE

A. The VRS provides Basic Life Insurance benefits to all covered full-time employees. This benefit is fully funded by the Town. The insurance policy coverage amount is 2 times the employee's salary (rounded up to the highest thousand) and payable to the employee's beneficiary(ies) upon natural death. Should the death of an employee be determined accidental, the death benefit increases to 4 times the employee's salary. This policy also offers benefits for dismemberment and blindness as listed in the Securian Financial Certificate of Insurance.

- B. Optional life insurance is additional coverage available to all covered full-time employees. Those electing additional coverage shall be responsible for 100% of the cost which will be deducted from the employees pay semi-monthly (twice a month).
- C. Further information regarding VRS and/or Basic & Optional life insurance may be obtained from the Town Manager or on the VRS website at <a href="https://www.varetire.org">www.varetire.org</a>.
- D. Leave Without Pay Status. The Town's contribution will be discontinued if the employee is on approved Leave Without Pay for 51% or more of their working month, unless absence is due to Worker's Compensation. An employee in this situation is advised to make payment to the Town for this period of absence to ensure life insurance coverage is not discontinued. Optional life insurance premiums are the responsibility of the employee.
- E. Retirement. Coverage ends at termination of employment unless an employee elects to convert coverage to an individual whole life policy at non-group rates. Conversion coverage must be elected within 31 days of the last day in the month in which retirement occurred. Retirees may continue in the life insurance program if they meet the eligibility requirements under their plan. Such life insurance coverage is reduced over a period of time as provided by VRS. Additional life insurance through the VRS Optional Life Insurance Program may be continued at the retiree's expense.

### 10.3. Group Health Insurance

A. The Town partners with Caroline County to provide health plan coverage for full-time employees and County staff manage the benefit plans. Coverage begins the first of the month following the full-time date of hire. Information concerning Group Health Insurance can be obtained from the Town Manager.

#### B. Cost

- 1. The Town pays the cost of coverage for the employee
- 2. Changes in election can be made on the occurrence of a qualifying event (within 30 days of such an event) or during the Open Enrollment period.
- 3. If an employee is on leave without pay status for 51% or more workdays during the pay period, the full costs of the health plan coverage will be the responsibility of the employee under the provisions described in greater detail under COBRA.

#### C. Eligibility.

All employees in full-time positions are eligible for participation in the health plan. Employees may elect to include their spouses and dependent children under the health plan, at their own cost. The effective date for health insurance coverage shall be the first day of the month following the full-time date of hire. If a part-time employee converts to a full-time position the same waiting period applies.

D. Open Enrollment. Open enrollment is the time designated by Caroline County for enrolling in the health plan and/or making changes in coverage and participants. Open enrollment usually occurs in February each year.

#### E. Qualifying Event

- 1. After initial eligibility, changes in the health plan can only be made during Open Enrollment or when a "qualifying event" occurs. Internal Revenue Code Section 125 defines it as: 1) experienced by an employee or an employee's eligible family members; and that 2) gives rise to the employee's ability to change coverage levels under the plan at a time not corresponding to the Open Enrollment period. Qualifying events include but are not limited to marriage, divorce, birth or adoption of a child, death of a covered person, spouse's or dependent's loss of coverage or a major change to current health plan coverage.
- 2. Health insurance changes due to a qualifying event must be made within 31 days of the event. Supporting documentation must be provided to show proof that a qualifying event has occurred.
- F. Separation from Employment. If an employee separates from employment, health insurance coverage will continue until the end of the month in which the employee terminated employment. Thereafter, continuation coverage will be under the provisions of COBRA described below.

### **10.4. COBRA**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allows an employee and/or spouse or dependents covered by the Town's group health insurance plan the opportunity to maintain group coverage for the following time periods (and qualifying events): 18 months (termination of employment or reduction in work hours); 29 months (qualified beneficiary is disabled at time of termination of employment or reduction in hours); and 36 months (death of covered employee, loss of dependent child status, covered employee becomes eligible for Medicare, covered employee divorces spouse). An election of continuation coverage must be made within 60 days of the qualifying event or the date notice of election was received, whichever is sooner. The Town reserves the right to charge up to a 2% administrative fee.

#### 10.5. Retiree Health Insurance

- A. Employees applying for retirement through the Virginia Retirement System (VRS) before reaching age 65 will be considered "early retirees". Employees (and family members of employees) with a minimum of fifteen (15) years in the VRS system remain eligible for coverage under the Town's group health insurance policy after the federally mandated "COBRA" period expires 18 months after separation from employment. Such employees must pay for 100% of the cost of health insurance.
- B. Once the employee reaches age 65, he or she becomes eligible for Medicare coverage. If the employee wants supplemental coverage to Medicare, he or she must convert to a Medicare supplement or other plan separate from the Town's policy.
- C. Early retirees who do not meet this requirement must choose an individual plan through the Town's carrier or another carrier of their choice (after the 18 month "COBRA" period). Early

retirees and employees continuing coverage during the "COBRA" period are responsible for 100% of the cost. Payment of monthly premiums is due to the Town Manager on the first of every month. Non-payment of premiums will result in termination of benefits.

- D. A retiree, who does not make this election within 60 days of the effective retirement date, does not have the right to re-enter the plan at a later date. If a retiree interrupts the continuous participation in the health plan, the retiree's right to coverage is forfeited.
- E. A retiree may change coverage level only during Open Enrollment or if a qualifying event occurs. Upon the death of a retiree, a covered spouse and/or dependent children may continue the Town's plan at their own expense under COBRA.

## 10.6. Employee Assistance Program

- A. Counseling: Full-time and regular part-time employees and their family members residing in the employee's household may participate in counseling and referral services designed to help them manage personal or job-related problems.
- B. Confidentially: Counseling through the Employee Assistance Program (EAP) is confidential. Neither the employee's name nor department will be released to the Town when the employee or family member seeks counseling through the EAP voluntarily.
- C. Cost: Employees should inquire upon the commencement of counseling, the number of sessions that are provided and what the cost of these sessions might be. The Town Manager should be advised of the cost of the program. Certain policies may allow the Town to permit participation in a portion of the cost of the program for employees.

## 10.7. Social Security and Medicare

The Town pays the employer's share of Social Security and Medicare contributions. The employee's share is paid through mandatory payroll deductions.

# 10.8. Unemployment Insurance

Former employees may file for unemployment compensation benefits through any Virginia Employment Commission (VEC) office. The VEC determines eligibility for benefits.

### Section 11. Leave

## 11.1. Annual Leave for Employees Hired On or Before December 31, 2013

- A. Purpose. Annual leave provides paid time-off for vacation or other personal reasons. Only those employees on full-time status with a full-time hire date on or before December 31, 2013, accrue annual leave.
- B. Accrual. Annual leave is accrued on a semi-monthly basis. Employees earn annual leave and are limited to a maximum accrual based upon the employee's length of service according to the following chart. (Council Appointees may earn leave at a different rate based on an approved employment agreement).

Years of Service	Semi-Monthly	Annual Accrual	Maximum
	Accrual Rate		Accrual/Carryover
Less than 5 years	4 hours	96 hours	192 hours (24 days)
5 to 9 years	5 hours	120 hours	240 hours (30 days)
10 to 19 years	6 hours	144 hours	288 hours (36 days)
20 or more years	7 hours	168 hours	336 hours (42 days)

- C. Accrual Based on Days of Paid Leave Status. The amount of annual leave that is accrued each month will be prorated based on the hours that the employee actually worked during that month (e.g. deductions will be taken for leave without pay or days not worked because the employee was hired or terminated from employment during the month).
- D. Maximum Accrual Limited. On July 1 of each year, all leave accrued more than the maximum accrual amount will be forfeited. Employees are expected to schedule their annual leave throughout the year so that no leave time is lost on July 1. If the excess amount of leave is scheduled to be taken prior to June 30 and circumstances beyond the employee's control prevent the taking of scheduled leave, the Town Manager may make an exception based on extenuating circumstances beyond the employee's control and that amount of leave will be carried into the next leave year. Maximum accrual limits still apply in each leave year.
- E. Notification of Leave Balance. Employee pay stubs shall include annual leave balances. Employees are responsible for checking to determine whether the information reported is accurate.
- F. Minimum Increment of Leave. Annual leave must be taken in increments of no less than 15 minutes.
- G. Request for Annual Leave. Except for Council appointees, the use of annual leave is contingent on obtaining advance approval for the time away from work. Employees are expected to request approval to use annual leave in advance of the anticipated dates to ensure staffing requirements and critical functions for the Town are covered. Every consideration will be given to an

employee's desire to use annual leave. In approving leave the Department Director is responsible for managing work schedules so that departmental services are not compromised.

#### H. Restrictions on Use

- 1. Annual leave may not be used in advance of its accrual. Annual leave is accrued but may not be used until the employee has completed the initial six-month probationary period. The Town Manager may, at his discretion, approve the use of accrued annual leave during the probationary period for extenuating circumstances.
- 2. The use of annual leave is not a right. Depending on the needs of the department, a leave request may be denied for business necessity or for failure to request the leave in a timely manner. Unless the leave has been approved in advance, the absence may not be charged as Annual leave.
- I. Payout for Annual Leave. Upon the termination of employment, an employee shall receive payment for the annual leave accrued as of the date of separation in an amount not to exceed the maximum accrual limit. In the event of an employee's death, the estate will receive payment for the accumulated leave balances to which the employee is entitled.

### 11.2. Sick Leave for Employees Hired On or Before December 31, 2013

- A. Purpose of Leave. Sick leave provides paid time off when an illness or injury of the employee or the employee's immediate family member necessitates the employee being absent from work. Sick leave is only available to full-time employees with a full-time date of hire on or before December 31, 2013.
- B. Use of Sick Leave. Sick leave may be taken for one of the following reasons:
  - 1. Personal Sick Leave. Personal sick leave is defined as absence for reasons of illness or injury incapacitating the employee to perform assigned duties or exposure to contagious disease such that the employee's presence on duty would jeopardize the health of fellow workers on the job.
  - 2. Medical Appointments. Medical, dental, and other health care provider appointments, whether for the employee or the employee's immediate family member, should be scheduled outside of work hours whenever possible. When such appointments cannot be scheduled outside of or around work hours, the employee may use sick leave provided it is approved in advance by the Department Director or Town Manager. Emergency medical appointments are an exception.
  - 3. Family Illness. An employee may use sick leave to care for an immediate family member who has a serious health condition or to transport such a family member to health care provider appointments. For purposes of sick leave, immediate family member is defined as child (son, daughter, adopted child, foster child, stepchild, legal ward, child of the employee standing in loco parentis), mother, father, sister, brother, grandfather, grandmother, husband, wife, mother-in-law, father-in-law, or any family member related by blood or marriage living in the employee's home.

- 4. Workers' Compensation Injuries. Employees are not compensated for the first seven (7) calendar days of workers' compensation leave unless the employee elects to use accrued leave. This seven-day period coincides with the 'waiting period' of the Virginia Workers Compensation Act in which an employee is not entitled to compensation from the County's worker's compensation insurance carrier. If a compensable illness or injury results in an absence that exceeds seven (7) calendar days the employee receives replacement income paid by the workers compensation carrier at the rate as provided in the Section 65.2-100 et seq. of the Code of Virginia, as amended. If accrued leave is used and the employee becomes eligible to receive lost wage payments from the Workers' Compensation Commission for the first seven (7) days, the Town will request from the Commission that the amount of money paid to the employee in benefits be returned to the Town and the Town will reinstate the leave used.
- C. Accrual of Sick Leave. Sick leave is accrued at the end of each pay period. The amount of sick leave that an employee accrues is based upon the employee's length of service as shown below:

Years of Service	Semi-Monthly Accrual	
Less than 5 years	4 hours	
5 but less than 10 years	5 hours	
10 years and over	6 hours	

- D. Accrual Unlimited Although there is no maximum accrual limit for sick leave, the use of sick leave for a period exceeding a continuous twelve-week period may result in separation from employment unless otherwise covered by applicable state or federal law.
- E. Accrual Based on Days of Paid Status. The amount of sick leave that an employee accrues each pay period shall be prorated for the hours that the employee worked during that pay period (e.g. deductions will be taken for leave without pay or days not worked because the employee was hired or terminated from employment during the pay period).
- F. Notification of Leave Balance: Employee pay stubs shall include sick leave balances. Employees are responsible for checking to determine whether the information reported is accurate.
- G. Minimum Increment. Sick Leave may be taken in increments of no less than 15 minutes.
- H. Sick Leave Cannot be Advanced. An employee must accrue sick leave before it can be used.
- I. Sick Leave Request. To request the use of sick leave, an employee must complete the appropriate leave form and submit it to the Department Director for approval. Employees must notify their Department Director as soon as the need for the leave is known; unless there is an emergency situation, such notice must be given no later than one hour before scheduled work hours. Until approval is given, the absence will be counted as leave without pay.

#### J. Doctor's Statement

- 1. The Department Director may require an employee requesting sick leave to present a physician or health care provider's statement as a condition of approving the use of sick leave. Sick leave of three days or longer requires a Doctor's statement to justify the use of sick leave or the absence. The Department Director shall notify the Town Manager to determine whether the absence is a qualifying condition under Family and Medical Leave Act.
- 2. Before the employee returns to work from an extended absence or from treatment for a medical condition that may limit the employee's ability to perform normal job duties, the Department Director or Town Manager may require a statement from the treating health care provider confirming the employee's ability to return to normal work duties. If there are limitations placed on an employee's ability to perform the duties of the position, the Town may consider alternative assignments as a reasonable accommodation for the employee's disability.
- K. Payout for Sick Leave at Separation Termination. The Town does not pay an employee for unused sick leave upon separation from employment, regardless of the reason.

#### L. Transfer of Sick Leave

- 1. When an employee has exhausted their accrued sick leave and is incapacitated due to a serious health condition, they may request the transfer of sick leave or PTO from other Town employees. To initiate such a transfer, the employee shall submit a written request to the Town Manager, who in their sole discretion may consider notifying other Town employees of the request. With the Town Manager's approval, other employees may voluntarily transfer a portion of their leave to the requesting employee.
- 2. The employee requesting the sick leave shall not contact or in any manner solicit other employees for a transfer this may only be done by the Town Manager. Upon receipt of written confirmation that an employee(s) wishes to transfer a portion of their sick or PTO leave to the requesting employee and upon the written approval of the Town Manager, an employee may transfer in writing a specific portion of their sick or PTO leave balance to the requesting employee.

# 11.3 Paid Time Off Leave Plan for Employees Hired On or After January 1, 2014.

- A. The Paid Time Off leave plan (PTO) is a comprehensive program that serves the diverse needs of employees for time off from work and includes short- and long- term disability programs to cover periods of extended illness or injury.
- B. The PTO leave plan covers all non-public safety full-time employees hired on or after January 1, 2014.
  - 1. Enrollment: All employees hired or re-hired on or after January 1, 2014, and enrolled in the VRS Hybrid Retirement Plan, shall receive benefits in accordance with this PTO plan.
  - 2. Paid Time Off (PTO) Accruals: Full Time employees covered under the PTO plan receive accruals based on their years of Town Service. PTO hours are accrued semi-monthly.

3. An eligible employee accrues PTO according to the rates below:

Years of Service	Semi-Monthly PTO	Annual Accrual	Maximum Annual PTO
	Accrual Rate		Hours Carryover
Less than 5 years	5.5 hours	132 hours	192 hours (24 days)
5 - 9 years	7.5 hours	180 hours	240 hours (30 days)
10-19 years	9.0 hours	216 hours	288 hours (36 days)
20 or more years	10.5 hours	252 hours	336 hours (42 days)

- 4. PTO hours will not accrue during any unpaid absence of 40 hours or more, per semi-monthly pay period, including absences under the FMLA, LWOP and disciplinary suspension.
- 5. Employees may carry forward to a new calendar year PTO leave balances of no more than the applicable Maximum Annual Hours per Year.
- 6. Any scheduled holiday that falls during the employee's PTO leave will not be charged as PTO but as Holiday Leave.
- 7. Bereavement and Court Service leave is not deducted from PTO hours.

#### C. Scheduling/Use of PTO Hours

- 1. Paid leave may be requested by the employee only if accrued PTO hours are available for use. Employees are responsible for maintaining PTO leave balances at adequate levels to ensure that leave taken does not exceed existing balances.
- 2. PTO use must be approved in advance by the employee's supervisor. Scheduled PTO leave may be used for any approved purpose, and a request to use such leave should be made by the employee to his or her supervisor no less than three working days in advance. Some departments may require that employees schedule PTO leave further in advance. The three-day requirement may be waived by the supervisor in cases of illness, emergency situations or other unforeseen circumstances and will be considered unscheduled PTO.
- 3. Unscheduled PTO leave will be monitored. The supervisor has the right to request verification of any unscheduled absences by requiring a physician's statement. When an unforeseen need for PTO occurs, an employee shall notify the appropriate supervisor no later than the beginning of the shift. In some departments, earlier notice may be requested. Failure to provide the proper notification or excessive unscheduled leave may result in disciplinary action.
- 4. PTO is available for use by the employee only after leave has accrued and may be taken in 15-minute increments.

#### D. Termination/Retirement Payment of PTO Hours

1. Employees that leave Town service shall be paid at the employee's current regular rate of pay for accumulated PTO hours up to the maximum carry-over amount. Termination shall include retirement, voluntary resignations, death, or dismissal. The Town shall deduct all state and

- federal taxes, and any outstanding amounts due to the Town for benefits received, and for rental uniforms, keys or other Town property not returned by the employee at termination.
- 2. Use of PTO hours during a resignation notice period must be approved in advance by the appropriate supervisor and must not interfere with the operations of the department.
- E. Work Related Injuries/Illnesses: If an employee is absent due to a work-related injury, the employee must use PTO hours for the first seven calendar days of absence, if PTO is accrued. If the employee does not have PTO hours available, the employee will be placed on a leave-without pay status for the first seven days of absence only. If accrued leave is used and the employee becomes eligible to receive lost wage payments from the Workers' Compensation Commission for the first seven (7) days, the Town will request from the Commission that the amount of money paid to the employee in benefits be returned to the Town and the Town will reinstate the PTO leave used.

#### E. Short- and Long-Term Disability Program

- 1. In conjunction with the PTO Leave Plan, the Town provides Short Term Disability and Long-Term Disability benefits for non-public safety full-time employees at no cost to the employee. Coverage varies depending on the length of employment and whether the disability is work-related or non-work related. Eligibility becomes effective following one year of full-time employment. Approval for short- and long-term disability benefits is determined by the insurance carrier selected by the Town.
- 2. If PTO hours are available for use, the employee is required to use PTO to cover the waiting period before Short Term Disability begins. Accrued PTO leave may be used by the employee to make up the difference between 100% of the employee's normal gross wages and the benefit provided under the Short-Term Disability plan, upon mutual agreement between the employee and the Town Manager.
- 3. Employees are encouraged to consult the Town Manager for details on the disability benefits. Coverage continues to the last day of the month during which the employee leaves Town employment, or changes status from full-time to part-time, seasonal or temporary. Details of this plan are provided in the summary plan description provided by the insurance company selected by VRS or in the VRS Employee Manual available from the Town Manager or by visiting the VRS website at <a href="https://www.varetire.org">www.varetire.org</a>

# 11.4. Family Medical Leave Act

The Town of Bowling Green is a covered agency under the Family Medical Leave Act, and while the Town does not have sufficient employees to require compliance, the Town is more generous than required and provides Family Medical Leave to its employees in accordance with the provisions of the Act.

1. Purpose. As provided by the FMLA, all eligible employees shall be entitled to take up to 12 weeks of job-protected family and medical leave during any twelve (12) month period for specified family and medical reasons. Employees may request or the Town may designate FMLA for qualifying absences, including work-related reasons. The purpose of Family and Medical Leave (FMLA) is to provide unpaid, job protected leave to eligible employees for qualifying reasons as mandated in

the Family and Medical Leave Act of 1993. All provisions of the Act must be complied with in terms of benefits and eligibility. Family and medical leave is normally unpaid leave and runs concurrently with sick and annual leave if the absence qualifies under the FMLA. An eligible employee is entitled to up to 12 weeks of unpaid leave during the rolling 12-month period (looking backward from the date that the leave commences).

A. Eligible Employees. An eligible employee is one who has worked for the Town for twelve (12) months and within the twelve (12) months preceding the commencement of the leave has worked at least 1,250 hours. Part-time and temporary employees who meet these requirements are eligible for FMLA leave. Questions should be referred to the Town Manager.

C. Types of Leave. FMLA leave may be granted for any of the following reasons:

- 1. For birth of a son or daughter, and to care for the newborn child;
- 2. For placement with the employee of a son or daughter for adoption or foster care;
- 3. To care for the employee's spouse, son, daughter, or parent with a serious health condition;
- 4. Because of a serious health condition that makes the employee unable to perform the functions of the employee's job;
- 5. Because of any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a military member on covered active duty (or has been notified of an impending call or order to covered active-duty status; and
- 6. To care for a covered servicemember with a serious injury or illness if the employee is the spouse, son, daughter, parent, or next of kin of the covered servicemember.
- D. FMLA may be taken consecutively for twelve weeks or on an intermittent basis or part of a reduced workweek whenever it is medically necessary. When an employee's need for FMLA is foreseeable, the employee must give at least thirty (30) days written notice and must make a reasonable effort to minimize disruption of Town operations. When the need for FMLA is unforeseeable the employee must give notice as soon as practicable (within 1-2 working days) of learning of the need for leave. The Town may temporarily transfer an employee using intermittent or reduced workweek to a different position with equivalent pay and benefits if another position would better accommodate the intermittent or reduced schedule.

#### 11.5. Bereavement Leave

- A. Upon the death of a member of the employee's immediate family which is defined as child (son, daughter, adopted child, foster child, stepchild, legal ward, child of the employee standing in loco parentis), mother, father, sister, brother, grandfather, grandmother, husband, wife, mother-in-law, father-in-law, or any person related by blood or marriage living in the employee's home, an employee may be granted up to three days of bereavement leave.
- B. If additional time is needed, other accrued paid leave time may be taken. Such additional leave time may be annual, sick, PTO, or compensatory leave time. The Town Manager must be consulted in estimating the return to work of the employee.

### 11.6. Court Service Leave

- A. An employee's absence from work for jury duty or for attending court as a witness shall be defined as court service leave. The employee must submit a copy of the official summons for jury duty or witness subpoena to the Town Manager, or his designee, prior to the beginning date of such service. If any employee is summoned to serve on jury duty or is subpoenaed to court to appear as a witness or who, having appeared, is required in writing by the court to appear at any future hearing, except if the employee is a defendant in a criminal case, court service leave with full pay is applicable. Any employee appearing in court either as a defendant or plaintiff in a case shall not be eligible for court service leave but may take leave without pay or use annual leave for such purpose at the employee's option.
- B. No person who is summoned and appears for jury duty for four or more hours, including travel time, in one day shall be required to start any work shift that begins on or after 5:00 p.m. on the day of his appearance for jury duty or begins before 3:00 a.m. on the day following the day of his appearance for jury duty.

## 11.7. Military Leave

- A. In accordance with applicable law, the Town will grant a leave of absence to any employee who enlists or is called to duty in the Armed Forces Reserve, National Guard, Naval Militia, the Virginia State Defense Force, or National Defense Executive Reserve while engaged in active duty, reserve duty, time away from a physical examination to determine fitness for duty, or periods of training that are approved by the Governor or the Governor's designee.
- B. In compliance with Article 10, Section 44-93 of the Code of Virginia, an employee engaged in military duty shall be entitled to a leave of absence with full pay by the Town for a period not to exceed 21 working days per federal fiscal year, without charging against accrued leave hours as applicable. Once military leave is exhausted, the employee may opt to use their accrued leave for other military leave absences.
- C. For full-time employees, 21 "workdays" equals 168 hours per year. For employees scheduled to work other than 80 hours per pay period, military leave will be paid in proportion to their respective work schedule. For example, if the employee's standard hours in a pay period are 112 hours, his available military leave equals 235.20 hours per federal fiscal year (1.4 times the standard 80 hours per pay period). Employees returning from reserve duty may take an 8-hour rest period between their return home and reporting to work. Where such employee returns from federally funded military duty and the eight-hour rest period required by USERRA overlaps such employee's scheduled work shift, the employee shall receive paid military leave to the extent of such overlap, not to exceed eight (8) hours per occurrence.
- D. An employee requesting leave under this policy must furnish a copy of their military orders when submitting their request for leave. If written orders are not available when the request for leave is submitted, the employee must provide a copy of their military orders upon return to work.

E. While on military leave, an employee is entitled to continued health benefit coverage and may be eligible to continue other benefits. The employee should make arrangements with the Town Manager to continue applicable benefits before going out on leave. Continuation of benefits requiring payment of premiums must be initiated by the employee.

## 11.8. Leave Without Pay (LWOP)

- A. Department Directors may approve up to 3 days per month of leave without pay for an employee when circumstances justify such an absence. For any additional absences, the employee must complete the Leave Without Pay (LWOP) Request Form and submit it to the Department Director who may deny the request or recommend to the Town Manager that such leave is warranted and if given will not impede the operations of the department. All LWOP more than three days per month must be approved by the Town Manager.
- B. An employee must have exhausted all other forms of applicable leave prior to making a request for LWOP.

#### 11.9. Administrative Leave

Administrative leave is paid leave that an employee may receive at the discretion of the Town Manager. Circumstances that may give rise to administrative leave include but are not limited to: severe weather conditions, unsanitary or unsafe working conditions, death of a Town employee, and other reasons at the Town Manager's discretion.

The administrative leave category shall be used to record employee absences due to a disciplinary action or for a pending investigation. In cases of administrative leave for non-disciplinary reasons (investigation), the leave period may be with or without pay as determined by the Town Manager.

# 11.10. Organ Donation/Bone Marrow Donation Leave

- A. Employees are entitled up to 60 business days per 12-month period of unpaid organ donation leave and up to 30 days per 12-month period of unpaid bone marrow donation leave. Employees may use accumulated leave balances during this time. This leave will not run concurrently with FMLA leave.
- B. To receive organ donation leave, the eligible employee shall provide written physician verification to the employer that: (i) the eligible employee is an organ donor or a bone marrow donor and (ii) there is a medical necessity for the donation of the organ or bone marrow.

# Section 12. Training and Development

### 12.1. Purpose

Training and development opportunities are offered to employees for the purpose of acquiring new skills and abilities and improving their knowledge base to improve job performance. Training is offered through a variety of methods including, and not limited to: assessing employee training needs and developing organized training plans; developing and using internal instructors wherever possible; and encouraging employees to share training experiences.

## 12.2. Department Director's Responsibility

The Department Director is responsible for providing employees within their department an opportunity for meaningful training and development with the following constraints: budgeted monies available; job requirements; expected changes in services that will require additional skills and abilities; employee performance; and the recommendations of the Town Manager.

## 12.3. Required Certifications and Licenses

- A. When a specific certification or license is required for the position, the Town may pay or reimburse the employee, based on available funds, for the cost of the certification or licensure fee upon successful completion of the qualifying test or exam.
- B. If a payment or reimbursement is provided by the Town, the employee will be required to remain employed with the Town for a period of at least one year beyond the date the license or certification was obtained. Failure to work for this time, may result in forfeiture of payment for unused leave time as permitted by state or federal laws.
- C. When seeking reimbursement, the employee must present the Department Director with the awarded certificate or license and proof that the employee paid for the test or exam. A copy of the license or certificate shall be maintained in the employee's personal file.
- D. Town may reimburse the employee for the costs of not more than two (2) attempts at obtaining a license or certificate. The third attempt will be at the employee's expense.

# 12.4. Other Required Training

Employees may be required to take additional job-related training as directed by the Town Manager to fulfill their required tasks. This job-related training shall be paid for by the Town. After obtaining such training, the employee will be required to remain employed with the Town for a minimum of 90 days after obtaining each license.

# 12.5. Workshops, Seminars, and Conferences

Department Directors may authorize employees to attend workshops, seminars, conferences, or other training programs that would directly benefit the Town. The costs of attendance shall be paid by or reimbursed from the department's available funds.

### 12.6. Higher Education

- A. A Department Director may, from time to time, based on available funds, permit the reimbursement of certain expenses incurred by employees participating in courses offered by public institutions of higher education, provided such courses are directly related to the employee's job with the Town.
- B. Cost. With prior approval of the Town Manager and upon recommendation of the Department Director, an employee may be reimbursed for the basic cost of tuition for any course completed, provided such course is directly job-related and the employee works for the Town for at least one year following completion of the course.
- C. Tuition Reimbursement. The Town may reimburse an employee for the cost of job-related courses up to a maximum of three (3) courses in any fiscal year, approved by the Town Manager, under the following terms and conditions:
  - 1. Priority will be given to employees who have not been reimbursed during the current fiscal year.
  - Courses are related to the employee's present position. The department director must be able
    to demonstrate that taking the course will maintain or improve the skills required for the
    employee's current job or meet express requirements of the department that are a condition
    of continued employment.
  - 3. Funds are available in the appropriate budget line item.
  - 4. Reimbursement is not available or is not being paid by another source.
  - 5. Reimbursement is limited to tuition and books or to those tests for certification which are required before the employee can receive a grade in the course.
  - 6. Reimbursement is on a course-by-course basis and is not available to employees in Leave Without Pay status. Auditing of courses does not qualify for reimbursement.
  - 7. Reimbursement is contingent upon receiving at minimum a "C" or its equivalent, as defined by the educational institution and credit for the course.
  - 8. Proof of grade and payment must be received by the Town Manager before reimbursement can be processed.
  - 9. Requests must be made in writing to the Town Manager at least 30 days prior to the day class starts.
  - 10. The employee must remain in the employment of the Town of Bowling Green for a least one (1) year after the last class that has been completed or will be required to reimburse the Town for the full amount paid. If the employee has not worked the required year after course completion, and if the Town has not been reimbursed for the costs paid by the Town, then the employee will forfeit all accrued leave hours.

# Section 13. Safety Policies

### 13.1. Purpose

- A. The purpose of these Safety Policies stated herein is to provide a framework for the Town to develop a program of actions that will foster a safe place for employees to work and for the public to conduct Town business and enjoy Town-sponsored activities.
- B. Every employee should work under the safest conditions possible. Accidents which injure people or damage property cause needless personal suffering, inconvenience, and expense. Every reasonable and practical effort will be made to promote accident prevention.

### 13.2. Responsibilities

- A. All Employees. All employees shall be responsible for following the provisions set forth in this policy and other safety guidelines that will be established by the Town. All employees and the Town will follow generally accepted safety procedures that are applicable to their position, duties, and location. Acceptable State and Federal safety standards and requirements and regulations related to their jobs will also be followed. The responsibilities listed below are a minimum. Employees are encouraged to take additional actions over those listed below to reduce losses due to personal injury or vehicle accident. Safety and loss control is a responsibility that must be shared by all.
- B. Department Directors. Department Directors are responsible for maintaining safe working conditions within their departments. All Directors shall:
  - 1. Ensure that all employees in their department comply with appropriate policies and procedures;
  - 2. Inform employees of any initiatives to reduce unsafe conditions;
  - 3. Establish safety rules for their departments and provide and distribute these and other safety procedures that may be created and provide them as SOPs;
  - 4. Provide personal protective equipment to employees, as appropriate;
  - 5. Provide training in safety, loss prevention, and accident response.
  - 6. Correct any unsafe conditions which may exist in the work area;
  - 7. Review all accidents that occur within the department, provide accurate information on the appropriate forms, and make recommendations on ways to prevent the recurrence of a similar accident; and
  - 8. Report all accidents and injuries on the proper Virginia Occupational Safety and Health (VOSH) or Virginia Workers' Compensation (VWC) form.
- C. Employees are required to exercise due care in the course of their work to prevent injuries to themselves, their co-workers, and the general public. All employees shall:

- 1. Report all unsafe conditions to their supervisor;
- 2. Report all accidents immediately to their supervisor;
- 3. Obey all published safety rules;
- 4. Operate only machines and equipment on which they have been trained and are authorized by their supervisor to operate; and

## 13.3. Minimum Safety Rules

- A. The importance of the safety rules cannot be emphasized enough.
- B. The list below are the minimum guidelines that employees are expected to follow.
  - 1. Report all accidents to your supervisor immediately and complete the required written reports;
  - 2. Keep all work areas clean and orderly at all times;
  - 3. Wear seat belts at all times when driving or as a passenger in a vehicle;
  - 4. Wear protective headgear when working in areas where the potential of flying objects, head bumping, or electrical conduction exists;
  - 5. Wear eye protection when working in areas where the potential of airborne debris, dust, flying particles, chips, chemicals, and injurious rays exists;
  - 6. Wear hearing protection when working in areas where prolonged exposure to noise exceeding sound tolerance levels defined by laws exists in accordance with VOSH rules implementing the Occupational Noise Exposure Act Title 29 CFR 1910.95;
  - 7. Wear safety shoes when working in areas where possible injury from articles that can be dropped from vehicle wheels, machines, and nail puncture exists;
  - 8. Wear protective clothing such as gloves, long sleeves, aprons, and long pants when working in areas where wounds and abrasions could occur; and
  - 9. Refrain from engaging in horseplay.

# 13.4. Violation of Safety Rules

Violation of the Town safety policies may be grounds for discipline, up to and including dismissal.

# 13.5. Reporting Injury on the Job

All employees shall report any accident involving property or vehicle damage, injury to the public, or injury to the employee to their Department Director immediately. When injury to an employee occurs, the employee must report it on the appropriate forms provided by the Department Director no later than 48 hours after the incident.

## 13.6. Reporting of Other Accidents

Traffic accidents and any other accident or loss shall also be reported to the Department Director immediately. The proper forms must be completed and submitted to the Town Manager no later than 48 hours following the accident or injury.

#### 13.7. Accident Review

The Town Manager shall review the report of investigation accomplished by the Department Director for each accident within two working days of receipt of the accident report with written recommendations on ways to prevent recurrence of similar incidents in the future.

### 13.8. Safety Meetings

Safety training meetings shall be held periodically throughout the year within each Department.

## 13.9. Record Keeping

Each department shall maintain records of accidents and employee participation in safety training in accordance with the Virginia Public Records Act.

### 13.10. Inspections

- A. The Department Directors and the Town Manager shall conduct regular, periodic inspections of Town offices, facilities, and work sites. Recommendations to correct any deficiencies found during inspection shall be communicated to the Town Manager for action.
- B. These inspections shall include but not be limited to the following areas, which shall be checked for safety program compliance and sound safety practices at least annually to ensure that:
  - 1. Exits are well marked and accessible;
  - 2. Presence of fire extinguishers and their last inspection date;
  - 3. Proper storage of flammable liquids;
  - 4. Posted, published safety rules;
  - 5. Good housekeeping practices;
  - 6. Equipment and vehicle maintenance records; and
  - 7. Provide Fire Extinguisher Training for employees.

# Section 14. Workers' Compensation

## 14.1. Workers' Compensation Coverage

The Town provides Workers' Compensation insurance coverage for all employees at no cost to the employee. Eligibility for benefits is determined in compliance with the Virginia Workers' Compensation Act (Act). The Act is administered by the Virginia Workers' Compensation Commission (VWC).

### 14.2. Workers' Compensation Benefit

- A. Employees are entitled to receive compensation for an "injury by accident" or an "occupational disease."
- B. To be covered, an "accident" must:
  - 1. Occur at work or during a work-related function;
  - 2. Be caused by a specific work activity; and
  - 3. Happen suddenly at a specific time (injuries incurred gradually or from repetitive trauma are not covered, although certain diseases caused by repetitive trauma are covered). In order to be covered, a disease must be caused by the work and not be a disease of the back, neck, or spinal column.

## 14.3. Employees' Responsibility

- A. An employee shall report every accident, injury, or occupational illness, regardless of severity, to the Department Director immediately, but in no case later than 48 hours. It is the employee's responsibility to also report it to the VWC. After the report is made, the employee will be asked to complete a written statement or to assist the Department Director in completing a statement on the nature and cause of the accident (including how the injury or illness occurred and the nature and extent of the injury).
- B. The employee shall advise the healthcare provider that all medical expenses, including prescriptions, are to be submitted under Workers' Compensation and are not to be billed to the Town's health plan or to the employee personally. The injured or ill employee shall contact the Town Manager should any medical expenses resulting from a compensable occupational injury or illness be improperly billed or processed.
- C. It is expected that the employee will keep all medical appointments, medical evaluations, physical therapy, or other related treatments resulting from occupational injury or illness and accept treatment from the attending physician.

## 14.4. Directors' Responsibility

A. For safety purposes and to prevent future occurrences, the Department Director shall determine the causes of all occupational injuries and illnesses and take the necessary corrective actions.

B. The Department Director is responsible for completing the "Employer's First Report of Accident" form and obtaining the employee's statement. It is recommended that the employee provide a written statement on how the illness or injury occurred and the nature and extent of the injury. If the employee is unable to do so, the Department Director should write the oral statement given by the employee and have the employee sign it or affirm the accuracy of the statement.

C. Department Directors are encouraged to maintain contact with the employee during the period of incapacity to obtain a report of the progress being made. Should the employee make a request for light duty, the Department Director shall consult with the Town Manager prior to implementing modified or light duty.

D. The Department Director should ensure that the payroll timekeeper properly records the leave used for Workers' Compensation absences, medical appointments, medical evaluations, physical therapy, or other related treatments associated with an occupational injury or illness appropriately on timesheets as WC/FMLA leave.

### 14.5. Program Administration

A. The Town Manager has the responsibility to monitor and administer the Workers' Compensation Program.

B. The Town Manager's responsibilities include:

- 1. Provide appropriate forms, policies and procedures to facilitate timely and accurate reporting of all occupational injury or illness;
- 2. Review all medical expenses and reports and submit them to the Workers' Compensation Administrator for payment. Whether or not medical expenses are compensable under the Act is determined by the Town Manager.
- 3. Monitoring the progress and investigation of all Workers' Compensation claims, and where necessary, provide status reports to the Department Director;
- 4. Train Department Directors and employees, initiate safety orientation and distribution and posting program literature and legal notices;
- 5. Coordinate claims specifically pertaining to lost time or intermittent leave for payroll purposes;
- 6. Maintain files and reports for the occupational injuries or illnesses separate from the personal Town files.
- 7. Ensure all options to return the employee to work when medically released, take retirement for medical reasons, or use other options to properly address the employee's situation are discussed with the employee to prevent long term absence.

## 14.6. Workers' Compensation Claim Denied

If a Workers' Compensation claim is denied, an employee may forward the denial letter along with the proper forms to the Town's health plan provider. In most situations, the health plan will pay medical expenses denied.

# 14.7. Appeal of Claim Denial

An employee has the right to appeal the denial of the claim to the VWC. Appeal forms may be obtained from the Virginia Workers' Compensation Commission office in Richmond. For detailed information, please contact the Finance Department or the Virginia Workers' Compensation Commission, 1000 DMV Drive, Richmond, VA 23220, (877) 664-2566 (Toll Free), or at www.vwc.state.va.us.

#### 14.8. False Claims

Any employee who falsifies an occupational injury or illness or collaborates in making a false claim of an occupational injury or illness is committing a crime. The employee may be subject to disciplinary action, up to and including dismissal, and any other legal remedies available to the Town.

# Section 15. Drugs and Alcohol

### 15.1. Purpose

A. It is the goal of the Town to establish and maintain a safe and healthy workplace for its employees, free from drug and alcohol abuse, the effects of drugs and alcohol on work performance, and to protect the safety of the public by providing the highest quality of service.

B. The use of alcohol, illegal drugs, or misuse of prescription drugs is not tolerated in the Town's workplace. Such behavior seriously affects job performance and can create a danger to others. In addition, the use of illegal drugs is not acceptable at any time or place. The policy and regulations pertaining to a drug-free workplace must be followed by all employees in the Town.

### 15.2. Drug-Free Workplace

A. All Town work sites shall be maintained as drug-free workplaces.

B. No employee shall unlawfully manufacture, distribute, dispense, possess, or use on or in the workplace any narcotic drug, hallucinogenic drug, amphetamine, barbiturate, marijuana, or any other controlled substance, as defined in Schedule I through V of Section 202 of the Controlled Substances Act (21 U.S.C. § 812) and as further defined by federal regulation in 21 CFR §§ 1300.11 through 1300.15.

C. "Workplace" is defined to mean any site for the performance of work by an employee, including but not limited to any Town-owned or leased building or premise; any Town-owned or leased vehicle; any building or premise used by the Town for Town business; and any non-Town property during any Town-sponsored or Town-approved activity, event or function. "Workplace" also includes all Town-owned or leased property such as, but not limited to, offices, desks, lockers, safes, file cabinets, and toolboxes. The Town retains the right to search, without employee consent, all Town workplaces.

D. As a condition of employment, each employee shall:

- 1. Notify the Department Director of a conviction of any criminal drug charge no later than 5 days after such conviction; and
- 2. Abide by the terms of this Town policy and regulations respecting a drug-free workplace.

## 15.3. Drug and Alcohol Testing

- A. Drug and/or alcohol tests will be required in the following situations:
  - 1. Pre-employment test after a conditional offer of employment has been given to applicants for positions that are deemed to be safety sensitive, require a CDL license, require the operation heavy equipment or carrying of firearms, or other positions that the Town Manager may identify or has identified;
  - 2. When there is reasonable suspicion that an employee, while at work, is under the influence of, or impaired by, use of illegal drugs or alcohol;

- 3. On a random basis for employees in positions that are safety sensitive, require a CDL license, or who have consented to random testing; and
- 4. On a random basis upon the return to work and for 12 months following the return to work for employees who have tested positive on a drug or alcohol test administered under this policy and who have successfully undergone substance abuse treatment.
- B. Refusal to Submit to Test. In all cases, a refusal to submit immediately to a drug or alcohol test when requested, including failure to appear for testing or a verified positive test finding of alcohol or illegal drug use will subject the employee to the full range of disciplinary action up to and including dismissal; or in the case of an applicant, the withdrawal of a conditional offer of employment.
- C. General Test Procedures. The Town's drug and alcohol testing program will be administered as follows:
  - 1. An evidential breath-testing device operated by a trained breath alcohol technician will be used to test for the presence of alcohol;
  - 2. Urinalysis will be used for the detection of controlled substances. Each sample will be screened, and if positive, then confirmed using gas chromatography/mass spectrometry (GCIMS). The panel includes screening for amphetamines, marijuana, cocaine, opium, and phencyclidine (PCP);
  - 3. An employee who is to be tested will be required to sign an authorization and consent form releasing the information to the Town; and
  - 4. The cost for all drug or alcohol tests ordered will be paid by the Town.

#### D. Urine Testing Protocols

- 1. An employee subject to urine testing under this policy will be permitted to provide the urine specimen in a manner so that the employee is not observed while actually providing the specimen.
- 2. Should the person who administers the test have reason to believe that the employee has altered or substituted the urine specimen provided a second sample will be obtained under direct observation of a same gender collection site person.
  - a. When a drug test is positive, the Medical Review Officer employed by the laboratory will allow the employee to provide medical evidence that the positive test result was due to causes other than the use of illegal drugs.
- 3. If the Medical Review Officer determines there is no legitimate reason for the positive result, the result will then be considered a verified positive test result. The Medical Review Officer will timely and confidentially notify the Town Manager in writing of the verified positive test result.

#### E. Guidelines for Reasonable Suspicion Testing

- 1. When there is reasonable suspicion to believe an employee has used, is impaired by, or is under the influence of drugs or alcohol, a drug and/or alcohol test will be required. The reasonable suspicion decision must be based on "specific, contemporaneous, particular observations concerning the appearance, behavior, speech, and/or body odors of the employee." When a Department Director has reason to believe that an employee has used, is impaired by, and/or is under the influence of drugs or alcohol, the Director should ask the Town Manager to corroborate the Director's observations.
- 2. By way of example, and without limitation, any of the following observed conditions, alone or in combination, may comprise reasonable suspicion:
  - a. Unexplained inability to perform normal job functions;
  - b. Slurred speech;
  - c. Smell of alcohol or drugs on breath;
  - d. Any unusual lack of physical coordination or loss of equilibrium;
  - e. Unexplained hyperactivity or depression and withdrawal;
  - f. Unexplained inability to think or reason at the employee's normal level; and/or
  - g. Unusual or bizarre behavior.
- 3. When reasonable suspicion is determined, the supervisor shall contact the Town Manager to discuss the observations and to determine whether a drug or alcohol test should be administered. Should the Town Manager not be available, the test can be ordered by the Department Director. Once a test is ordered, arrangements must be made with the Town's designated testing center. The employee will be transported to the testing site.
- 4. A written report of the observations leading to the reasonable suspicion test, signed by the Department Director, who made the observation, is to be done within 24 hours of the observed behavior or before the results of the controlled substances test are released, whichever is earlier. All records should immediately be sent to the Town Manager.
- F. Confidentiality of Test Results. All records and information involving an employee with a positive test result shall be maintained in confidential and secured file by the Town Manager and disseminated only to authorized individuals on a confirmed "Need to Know" basis.
- G. Challenges to test results. Current employees who test positive may challenge the test results by notifying the Town Manager or his designee within three working days of receiving the test results. The original sample will then be re-tested by a laboratory other than that of the Town's medical service provider, approved by the Medical Review Officer. All costs associated with the re-test are borne by the person raising the challenge.
- H. Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. The Town is committed, through its Employee Assistance Program, to providing education, training, confidential counseling and rehabilitation programs for its employees who suffer from drug and/or alcohol abuse. However, while employees are encouraged to voluntarily seek treatment before the problem affects their employment, seeking assistance will not be a defense to the imposition of disciplinary action, up to and including termination, if the employee engages in conduct constituting a violation of this policy.

### Section 16. Standards of Conduct

### 16.1. Purpose

- A. The Standards of Conduct are intended to promote the orderly, efficient, and effective operation of the Town's responsibilities.
- B. All Town employees shall conform to these standards and conduct themselves in a responsible and productive manner. An employee shall not violate the public trust, discredit the Town or its employees, or hinder the effective performance of the Town's governmental or proprietary functions.
- C. The Town distinguishes between misconduct and unsatisfactory performance, except for acts of gross negligence, by defining unsatisfactory performance as the failure to meet performance expectations. Unsatisfactory performance is typically addressed through the Town's performance management tools. Misconduct is generally defined as intentional and/or willful disregard for the Town's standards of conduct and/or departmental rules. Employee misconduct is typically addressed through a progressive discipline approach.

## 16.2. At-Will Employment

- A. The standards are guides for acceptable conduct and do not negate the employment at-will relationship. An individual's employment with the Town is entered into voluntarily and the employee may resign at any time and for any or no stated reason.
- B. Similarly, the Town may end the employment relationship at any time and for any or no stated reason. Such termination of employment must comply with Section 18 of these Policies.

# 16.3. Director's Responsibility

Department Directors shall be responsible for administering disciplinary measures consistent with the procedures set forth in this section. If the appropriateness of specific conduct or discipline is in question, the Department Director should consult with the Town Manager to determine the proper disciplinary action. Written notification of the disciplinary measure shall be delivered to the employee as prescribed herein and a copy forwarded to the Town Manager for placement in the employee's personal Town file.

# 16.4. Disciplinary Measures

- A. Department Directors are to apply disciplinary measures fairly and consistently. Disciplinary measures of less severity than discharge shall generally be taken to correct inappropriate conduct; however, under certain circumstances, discharge may be appropriate for first incidents of misconduct.
- B. Communication. Regular communication between the Director and the employee about the expected performance and behaviors tends to foster greater teamwork and productivity; it also results in performance issues being identified and corrected early.

#### C. Corrective Measures

- 1. Any corrective measure shall take into consideration the mitigating or aggravating circumstances surrounding the misconduct, the employee's history, and the impact of the misconduct on the effective operation of the Town. Progressive discipline is encouraged but not required. A verbal reprimand or warning is usually the first step. Should the conduct be repeated, a written reprimand typically follows. However, depending upon the conduct and the circumstances in which it occurred, termination may be an appropriate consequence for the first incident. In lieu of termination, less severe action such as a suspension without pay or a demotion may be an alternative.
- 2. Before an employee is suspended or dismissed, the Department Director should meet with the employee to discuss the misconduct and to find out if there are any mitigating circumstances. The employee shall be provided an opportunity to respond.

#### D. Types of Disciplinary Actions

- Verbal Warning. An informal verbal communication from a Director or the Town Manager
  to an employee explaining exactly what conduct is unacceptable and how similar conduct shall
  be avoided in the future.
- 2. Written Reprimand. The formal written communication to an employee for the purpose of addressing the unacceptable conduct.
- 3. Suspension. A separation from employment without pay for the purpose of disciplining an employee for unacceptable conduct. An employee who is suspended without pay shall not accumulate sick or annual leave during the pay periods in which the suspension occurred.
  - a. Exempt Employees: In compliance with FLSA, unpaid disciplinary suspensions, employees designated as exempt must be suspended for one or more full days, imposed in good faith for workplace conduct rule infractions.
- 4. Disciplinary Demotion. A disciplinary demotion is the assignment of an employee to a lower-classified position for inappropriate conduct. Demotion may not be used as a disciplinary measure if the employee does not qualify for the position in the lower pay grade, or if the demotion would displace another employee. A disciplinary demotion shall be accompanied by a reduction in pay grade and pay.
- 5. Dismissal. A termination of employment for unacceptable conduct. An employee who is dismissed forfeits all payment for any accumulated annual, PTO, and sick leave.
- E. Notification of Suspension, Demotion, or Dismissal. The written notification concerning an employee's suspension, demotion, or dismissal, shall be delivered in person to the employee while the employee is at work or sent by certified mail to the employee's last known address.

#### F. Authority to Issue Disciplinary Action

1. The types of disciplinary actions and the level of authority to administer the actions are listed below.

## Type of Action Authority to Approve

Verbal Warning Department Director
Written Warning Department Director
Suspension Town Manager
Demotion Town Manager
Dismissal Town Manager

2. Whenever the Department Director is absent or not available, disciplinary measures may be taken by the Town Manager during the period of absence.

#### G. Criminal Charges

- 1. If charged with a felony or other criminal offense, an employee shall report such criminal charge to the Department Director within one (1) workday of receipt of notice of the charge. The Department Director shall contact the Town Manager who shall have the matter investigated.
- 2. If the criminal offense is of such nature that the employee's continued performance of Town duties poses an immediate threat to co-workers or impairs the effective performance of the employee's duties, the Town Manager may indefinitely suspend or terminate the employee.
- 3. The conviction of a felony offense is immediate grounds for termination. The conviction of lesser crimes may be grounds for termination. However, the outcome of the criminal case shall not necessarily affect the outcome of an administrative investigation. The fact that a person is acquitted of the charge does not necessarily mean disciplinary action, up to and including termination, will not be imposed or that disciplinary action will be revoked. Regardless of the status of any criminal investigation, process or outcome, management may determine at any time to institute disciplinary action against the employee, up to and including termination.

# 16.5. Types of Misconduct

- A. Types of misconduct are outlined to assist Department Directors in administering discipline in a fair and consistent manner and to inform employees of the more frequently encountered misconduct.
- B. The following examples of misconduct are neither all-inclusive nor in order of severity.
  - 1. Rudeness, offensive, hostile, obscene language used while at work or while engaged in Town business;
  - 2. Careless or negligent maintenance, handling, or use of Town property;
  - 3. Excessive absences, tardiness, or abuse of time while at work, including excessive personal telephone calls or personal visits;
  - 4. Unjustified absence from the workstation or department without notice and/or appropriate permission;

- 5. Stopping work before the specified end of a working day or starting work after the specified beginning of the work day without prior approval;
- 6. Horseplay, pranks, or non-work related activity in the workplace;
- 7. Posting or removal of notices, signs, or other writing in any form on any Town bulletin boards without permission;
- 8. Unauthorized solicitation of employees or others in the workplace or on Town property;
- 9. Unauthorized distribution of literature or any other material in the workplace or on Town property;
- 10. Conviction of a moving violation while operating a Town vehicle or item of equipment which is operated on a public road;
- 11. Refusal to follow a supervisor's instructions or perform assigned work;
- 12. Violation of safety rules;
- 13. Sleeping on the job;
- 14. Reporting to work under the influence of alcohol or unlawful controlled substances;
- 15. Failure to report to work without proper notice to and approval from your supervisor;
- 16. Unauthorized use of Town vehicles or equipment or unauthorized removal of such from Town property;
- 17. Use of sick leave for any purposes other that as outlined in this Manual;
- 18. Threatening or otherwise interfering with the work of fellow employees or supervisors;
- 19. Acceptance of gifts or gratuities from any person, company, corporation, or any other act that constitutes a conflict of interest under the State and Local Government Conflict of Interest Act;
- 20. Failure to report known work-related illegal activity of any employee;
- 21. Unauthorized non-Town employment or activity, which interferes with the performance of an employee's assigned duties and responsibilities;
- 22. Unlawful use of alcohol, use of illegal drugs, or unlawful possession of controlled substances on Town property;
- 23. Discrimination or harassment of a protected class, whether an employee or a member of the general public;

- 24. Falsification of Town records, including, but not limited to vouchers, time records, leave records, insurance claims, or the application for employment;
- 25. Two or more garnishments involving more than one creditor during any 12-month period;
- 26. Theft or unauthorized removal or use of Town property or employee property;
- 27. Unauthorized possession of firearms or other weapons in the workplace or on Town property or vehicles;
- 28. Participation in any kind of work slowdown, sit down, or similar concerted interference with Town operations;
- 29. Unauthorized use of Town documents, records, or confidential information;
- 30. Dishonesty, lying, stealing, or cheating, including lying on one's Town employment application;
- 31. Failure to report being charged with a felony or other criminal offense within one workday of notification of the offense;
- 32. Unauthorized access or use of Town documents, records, or confidential information that does not fall into the category of public information and for which specified steps are not followed;
- 33. Any criminal conviction for an act occurring in the workplace or outside of the workplace which is related to job performance, or is of such a nature that to continue the employee in the assigned position could constitute negligence on the part of the Town in regard to the Town's duties to the public or other employees, or which adversely affects the reputation of the Town, or is conduct unbecoming of an employee;
- 34. Any conduct having adverse effect on the employee's work responsibility in the conduct of Town business;
- 35. Boisterous or disruptive activity, fighting, or threatening violence in the workplace;
- 36. Unauthorized use of telephones, mail system, credit cards, computer systems including peripheral equipment, or other Town-owned or leased property;
- 37. Violation of Town rules, policies, ordinances, procedures, or applicable federal/state regulations; and
- 38. Improper use of authority or position.

### 16.6. Other Reasons for Dismissal

Dismissals may be warranted in other circumstances where the employee does not meet the conditions of employment for the position, such as unsatisfactory job performance, failure to maintain valid licenses or other qualifications necessary to perform the job, or inability to perform the work required.

# Section 17. Separation From Town Employment

## 17.1. Resignation, Layoff, Dismissal, or Retirement

- A. An individual's employment with the Town is entered into voluntarily and the employee is free to resign at any time and for any or no stated reason. Similarly, the Town may end the at-will employment relationship at any time and for any reason. No notice is required.
- B. Employment may be terminated through one of the following personnel actions:
  - 1. Resignation. Voluntary termination of employment initiated by an employee.
  - Reduction In Force (Layoff). An involuntary separation of employment due to temporary or
    indefinite reduction in workforce caused by economic conditions, lack of work,
    reorganization, insufficient funds, change in operational and manpower needs, or other
    appropriate reasons.
  - 3. Dismissal. An involuntary termination of employment initiated by the Town as a result of an employee's unsatisfactory work performance, misconduct, or inability to perform the job.
  - 4. Separation Without Prejudice the separation of an employee due to circumstances beyond their control such as an incapacitating medical condition that is not or cannot be resolved; the loss of a required license; circumstances causing conflict with Town Policies, such as the employment of relatives' policy; incarceration; or similar situation. Departments shall resolve such separations in a timely manner and shall normally provide employees with seven calendar days advance written notice of the separation without prejudice
  - 5. Abandonment of Position. An employee in an unauthorized absence status who fails to contact his or her supervisor for three consecutive workdays shall be deemed to have abandoned his or her position and to have voluntarily resigned.
  - 6. Retirement. The termination of employment for the purpose of receiving VRS annuity retirement benefits.

## 17.2. Resignation

- A. To resign in good standing an employee must submit a signed written letter of resignation to the Department Director or Town Manager at least 14 days before the effective resignation date. Department Directors should give the written notice at least 30-days in advance. The resignation notice shall be signed by the employee and include the last date of employment, and the date the notice is submitted. The Department Director and the resigning employee, by mutual consent, may waive or modify the advance notice requirement. The Town Manager and Department Director, by mutual consent, may waive or modify the advance notice requirement. Failure to give appropriate notice may be grounds for refusal to re-employ the individual and/or a forfeiture of money owed for accrued leave.
- B. Department Directors shall immediately forward resignations to the Town Manager for processing and so that an exit interview may be scheduled.

C. An employee may rescind the resignation provided the resignation has not been accepted. Once the resignation has been accepted, the resignation may only be rescinded with the approval of the Town Manager.

#### 17.3. Retirement

- A. Eligible employees who are planning to retire shall submit written notice to their Department Director or Town Manager at least 4 months prior to the effective retirement date, to ensure sufficient time to process all retirement benefits with VRS and to assure that retirement benefits commence at the desired retirement date.
- B. Retirement benefits are offered through the Virginia Retirement System (VRS) and outlined in the VRS Handbook for Members.
- C. Payment for any leave balance for which the employee is eligible shall be paid in a lump sum. It is not permissible to delay the effective date of retirement by using accrued paid leave or compensatory time.
- D. There is no mandatory retirement age. An employee's ability to perform work is evaluated without regard to age.

#### 17.4. Dismissal

An employee may be involuntarily dismissed for any reason, in compliance with applicable state and federal law.

## 17.5. Separation Date

Whenever an employee separates from Town employment, the effective date of separation will be the last day that the employee is physically on the job unless the employee was on pre-approved leave.

#### 17.6. Exit Interview

- A. All employees who resign are requested to complete an exit interview. During the interview, the reasons for resignation and the timing for the return of Town property will be discussed as well as what benefits the employee may expect to receive. The employee's viewpoints on subjects such as pay, benefits, training, and working conditions can provide valuable information for the Town.
- B. Some benefits may be continued at the employee's expense if the employee so chooses. The Town Manager will conduct the exit interview during the employee's last week on the job. Completed exit interviews are kept separate from an employee's official personnel file.

# 17.7. Return of Town Property

Employees are responsible for returning all Town property, materials and written information issued to them. Items to be returned include, but are not limited to, keys to buildings, offices, files, desks, equipment, and vehicles; uniforms; safety equipment; tools; credit cards; and manuals. It is the responsibility of the Department Director to forward a list to the Town Manager's office of any

property held by the separating employee or a statement that all such property has been returned. If an employee fails to return Town property as stated in this policy, the employee's final check may be held by the Town Manager's office until all such property has been returned and the Town may pursue all legal remedies to recover the property and seek compensation for its corresponding value if such property has been destroyed.

## 17.8. Final Paycheck

Subject to section 17.7 above, as applicable, payment for any compensatory time and/or accrued paid leave to which the employee is eligible shall be paid in a lump sum on the payday following the date of separation or the subsequent payday depending on the date payroll is processed. For the purpose of unemployment compensation, the payment for the accrued leave shall be allocated to future pay periods. Final leave payout may be delayed until all Town-furnished equipment has been returned.

## 17.9. Layoff Procedure

- 1. The Town Council and the Town Manager have the right and obligation to manage the workforce in a manner that best serves the interests of the Town. Because of reduced appropriations, lack of sufficient work or funds, or Town-wide or departmental reorganization, lay-offs may be necessary to reduce positions allocated to a department. A lay-off or a reduction in force (RIF) shall be approved by the Town Council.
- 2. Unless the Town Council instructs differently, the following is the general procedure and order for a layoff:
  - 1. A layoff will be managed on an individual department basis. The Town Manager and the Department Director will identify those organizational sections, job classifications, positions, and individuals affected;
  - 2. Upon identifying the specific classifications requiring reduction in personnel, the layoff will follow this order:
    - a. Temporary or Seasonal part-time employees;
    - b. Regular part-time employees;
    - c. Probationary employees; or
    - d. Full-time employees
  - 3. To provide for a uniform, fair, equitable, and effective determination of the individuals to be laid off within each of the classes listed above, other factors to be considered shall be:
    - a. Performance; or
    - b. Length of service.
  - 4. Insofar as practical, all employees to be laid off shall be provided with a written notice at least 14 calendar days in advance.
  - 5. Employees who are laid off under a reduction in force are eligible to immediately apply to the Virginia Employment Commission for unemployment compensation.

#### Section 18. Grievance Procedure

### 18.1. Purpose

The purpose of the grievance procedure is to afford an immediate and impartial method for the resolution of disputes which may arise in the workplace.

### 18.2. Coverage of Personnel

- A. Eligible Personnel. Employees who have completed the probationary period and are in full-time and regular part-time positions may utilize the grievance procedure.
- B. Ineligible Personnel. The following classes of employees are not eligible to utilize the grievance procedure:
  - 1. Seasonal, Temporary, or Limited term positions
  - 2. Officials and employees who by charter or other law serve at the will or pleasure of the Town Council.
  - 3. Deputies and executive assistants to the Town Manager.
  - 4. Department Directors.
  - 5. Contract employees
  - 6. Appointees of elected officials or elected groups.
  - 7. Law enforcement officers who have elected to proceed pursuant to the procedural rights afforded in 9.1-500 et seq. of the Code of Virginia.

#### 18.3. Definition of Grievance

A grievance is a complaint or dispute by an employee relating to his or her employment, including, but not limited to:

- 1. Disciplinary actions, including dismissals, demotions and suspensions, provided that such dismissals result from formal discipline or unsatisfactory job performance;
- 2. The application of personnel policies, procedure, rules and regulations including the application of policies set forth in ordinances and statutes;
- 3. Retaliation as a result of using this Procedure or participating in the formal grievance of another Town employee under this Procedure, or complying with the laws of the United States or the Commonwealth of Virginia as well as reporting any violation of such laws to a governmental authority, or seeking any change in law before the United States Congress or the Virginia General Assembly; and
- 4. Discrimination on the basis of race, color, religion, age, disability, national origin, gender, marital status, and/or political affiliation.

### 18.4. Complaints That Shall Not Be Grieved

The Town Council reserves the exclusive right to manage the affairs and operations of the Town government. Therefore, the following complaints cannot be grieved:

- 1. Establishment and revision of wages and salaries, including position classification and performance evaluations and/or concomitant pay increases, or general benefits;
- 2. Work activity accepted by the employee as a condition of employment or which may reasonably be expected to be a part of the job content;
- 3. The contents of adopted ordinances, adopted statutes, adopted personnel policies, or established procedures, rules and regulations;
- 4. Failure to promote, except where the employee can show that adopted personnel policies or established procedures were not followed or fairly applied;
- 5. The methods, means and personnel by which work activities are to be carried out, some examples are:
  - a. The provision of equipment, tools, and facilities necessary to accomplish tasks except where condition or unavailability creates an unsafe or hazardous situation;
  - b. The scheduling and distribution of manpower/personnel resources; and
  - c. Training and career development
- 6. Termination, layoff, demotion or suspension from duties because of lack of work, reduction in force, or job elimination except where such action affects an employee who has been reinstated within the previous six months as a result of the final determination of a grievance. In any grievance brought under the exception to this paragraph, the action shall be upheld upon a showing by the Town that:
  - a. There was a valid business reason for the action, and
  - b. The employee was notified of the reason in writing prior to the effective date of the action.
- 7. The hiring, promotion, transfer, assignment, and retention of employees within the Town service; and
- 8. The relief of employees from duties, or action necessary to carry out such duties, during declared emergencies by the Town, County, State or Federal Government.

## 18.5. Town Manager's Responsibilities

The Town Manager shall:

- 1. Open a file and assign a number to each written grievance;
- 2. Ensure that all parties are aware of the process;

- 3. Monitor procedures and adherence to time frames;
- 4. Notify either party of noncompliance;
- 5. Maintain appropriate documentation, and
- 6. Perform all other responsibilities as specified in the Grievance Procedure.

## 18.6. Procedure for and Conduct of Grievance Meetings

- A. Time Limits. For purposes of this Procedure, the term "days" shall be defined as calendar days and time periods shall commence on the day following the day on which triggering action was taken. When a deadline falls on a Saturday, Sunday, or Town holiday, the next calendar day that is not a Saturday, Sunday, or Town holiday shall be considered the deadline.
- B. Mutually Agreed Extension. Time limits established under this Procedure are intended to be strictly followed and enforced. However, in the interest of fairness, a time limit may be extended if both parties agree to such extension in writing.
- C. Forms. All stages of the Grievance Procedure beyond the First Step shall be put in writing on forms available from the Town Manager.
- D. Employee Expectations. When an employee submits the grievance in writing on the appropriate form, he or she shall specify the specific relief expected by using the Grievance Procedure. The grievant shall be entitled only to the relief specifically requested if the grievant prevails.
- E. Hearings During Business Hours. Insofar as practical, all grievance meetings shall be held during normal Town working hours.
- F. Witnesses. The grievant and Town Manager may call witnesses at any step of the Grievance Procedure. All witnesses, including the grievant, if the grievant should testify, shall be subject to examination and cross-examination. Witnesses shall be present only while providing testimony.
  - 1. Lost Wages. Town employees who are necessary participants at grievance hearings shall not lose pay for time lost from their jobs and will not be charged leave because of attendance at such hearings.
  - 2. Representatives. At the Step Three meeting, the grievant, at his option, may have a representative of his choice present. If the grievant is represented by legal counsel, the Town has the option of being represented by legal counsel. A person shall not serve as both a representative and a witness.
- G. Recording. The use of recording devices or a court reporter is not permitted at the Step One, Two, and Three meetings.
- H. Appeal. When a grievant has obtained partial relief at one level of the Grievance Procedure and decides to pursue to the next higher level, the appeal shall be on the original grievance and the relief requested. An appeal constitutes a rejection of the partial relief that was offered at the previous level.

- I. Rules of Evidence. Hearings are not intended to be conducted like court proceedings and the rules of evidence do not necessarily apply.
- J. Presentation and Examination. Except in cases involving disciplinary action, the grievant shall present his evidence first. All witnesses, including the grievant, shall be subject to examination and cross-examination.

### 18.7. Grievability

#### A. To Determine Grievability

- 1. Decisions regarding grievability (whether the grievance falls within the definition of a grievance), including the question of access to the Grievance Procedure, shall be made by the Town Manager pursuant to procedures set forth below. Decisions shall be made at the written request of the grievant or the Department Director within 10 days of such request. A copy of the ruling shall be sent to the grievant and to the grievant's Department Director. The issue of grievability may be raised at any time prior to the Step Four grievance panel hearing. Once raised, the issue of grievability and/or access shall be resolved before further processing for the grievance.
- 2. A request that grievability be determined shall freeze the time limits under this Procedure. Time limits shall begin to run again the day after the decision on grievability made by the Town Manager or the Circuit Court is received by the grievant.

#### B. To Appeal Grievability Decision

- 1. Decisions by the Town Manager that an issue is not grievable may be appealed by the grievant to the Circuit Court of Caroline County. Proceedings for the review of the decision of the Town Manager shall be instituted by filing a notice of appeal with the Town Manager within 10 calendar days after the date of the decision by giving a copy of such notice to the Department Director.
- 2. Within 10 calendar days after receiving the notice of appeal, the Town Manager shall transmit to the Clerk of Circuit Court of Caroline County a copy of his decision, a copy of the notice of appeal, and any exhibits, which may have been provided in connection with the resolution of the issue of grievability. A list of the evidence furnished to the court shall also be furnished to the grievant. The failure of the Town Manager to transmit the record within the time allowed shall not prejudice the rights of the grievant. If the Town Manager fails to transmit the record within the time allowed, the Circuit Court, on motion of the grievant, may issue a Writ of Certiorari requiring the Town Manager to transmit the record on or before a certain date.
- 3. Within 30 calendar days of receipt of the record by the Clerk of Court, the Court, sitting without a jury, shall hear the appeal on the record transmitted to the Court and such additional evidence as may be necessary to resolve any controversy as to the correctness of the record. The Court may receive such other evidence as the ends of justice may require. The Court may affirm, reverse, or modify the decision of the Town Manager. The decision of the Court is final and is not appealable. All matters, from the institution of a request that the Town

Manager determines grievability through notation of appeal of an adverse decision by the Town Manager, shall be recorded on forms provided by the Town Manager.

C. If Determined Non-Grievable. The determination that is a complaint is non-grievable or that the employee does have access to the grievance procedure, by either the Town Manager or the Circuit Court of Caroline County shall not be construed to restrict an employee's right to seek, or management's right to provide, customary administrative review of complaints outside the scope of the Grievance Procedure.

#### 18.8. Consolidation of Grievances

If more than one grievance is filed arising from the same factual circumstances, the Town Manager may, at any time prior to the grievance panel hearing, consolidate those grievances for joint processing. If the grievances are consolidated, all time limits set forth in this Grievance Procedure shall thereafter be calculated from the date of the consolidation. Once consolidated, the grievances shall be processed as a single matter.

#### 18.9. Procedure

With the exception of the final hearing, the only persons who may be present in the management step meetings are the grievant, the appropriate Town official at the level at which the grievance is being heard, and the appropriate witnesses for each side. Witnesses shall be present only while actually providing testimony. Grievances, as defined above, shall be processed as enumerated herein.

#### 18.10. Step One: Employee Actions

- A. Employee. An employee who believes he or she has a grievance and wishes to utilize this Grievance Procedure shall discuss the grievance informally with his or her immediate supervisor within 20 calendar days of the occurrence of the incident giving rise to the grievance. At this time, the grievance need not be submitted or resolved in writing. Within 5 days of such discussion, the immediate supervisor shall respond to the employee with respect to the particular grievance.
- B. Mutual Agreement. The employee and the immediate supervisor may arrive at a mutually satisfactory resolution during their discussion. Either party may contact the Town Manager for consultation in doing so.
- C. Complaints regarding Discrimination or Retaliation. If the grievance alleges discrimination or retaliation by the immediate supervisor, the grievant is not required to present the grievance to or meet with the person who allegedly took the discriminatory or retaliatory actions. In such instance, the grievant may present the grievance to the Department Director or the Town Manager, as applicable.

## 18.11. Step Two: Department Director Level

A. Notify Department Director. If the grievant is not satisfied with and does not accept the Step One response, and the grievant wishes to advance to Step Two of the Grievance Procedure, the grievant must file a completed Grievance Form, (available from the Town Manager) identifying specifically and in detail the nature of the grievance and the desired relief. The grievant must

- present the Grievance Form to the Department Director within 10 calendar days of the immediate supervisor's reply to Step One.
- B. Director Meets with Grievant. Within 10 calendar days of the receipt of the grievance, the Department Director shall hold a meeting with the grievant to review the grievance. The meeting may be adjourned to another time and place by agreement of both parties. The grievant and Department Director may discover and agree on a mutually satisfactory resolution. A written reply to the grievance shall be provided by the Director to the grievant within 10 calendar days after meeting.
- C. Director is the Immediate Supervisor. If the grievant's immediate supervisor is also the Department Director, the grievant shall pass by the second Step of this Procedure and proceed immediately to Step Three.

#### 18.12. Step Three: Town Manager Level

- A. Notify Personnel. If the grievant is not satisfied with the Step Two written response, or the grievant's immediate supervisor is his or her Department Director, the grievant may advance to Step Three of the Grievance Procedure. The grievant shall notify the Town Manager by indicating on the Grievance Form, a request for a meeting with the Town Manager. The request shall be submitted to the Town Manager within 10 calendar days of receipt of the Step One or Step Two response, whichever applies.
- B. Town Manager. Within 10 calendar days of receipt of the Grievance Form, the Town Manager shall schedule and hold a meeting with the grievant to review the grievance. The meeting may be adjourned to another time or place by agreement of the parties. A written reply to the grievance shall be provided to the grievant by the Town Manager within 10 calendar days after the meeting.

## 18.13. Step Four Final Hearing: The Grievance Panel or Administrative Hearing

- A. Notify Town Manager. If the grievant is not satisfied with the Step Three written response and wishes to advance to Step Four of the Grievance Procedure, the grievant shall notify the Town Manager indicating on Grievance Form the request for a grievance panel hearing. The request shall be submitted to the Town Manager within 10 calendar days of receipt of the Third Step response. If the grievant and the Town agree, the final hearing will be heard by an administrative hearing officer, appointed by the Executive Secretary of the Supreme Court of Virginia. The Town shall pay the cost of the administrative hearing officer's services.
- B. Composition of the Grievance Panel.

In the event that the grievant and the Town do not agree to have an administrative hearing officer appointed to hear the grievance, a three-person grievance panel shall be selected to hear the grievance at the final hearing, as set forth below:

- 1. The Grievance Panel shall be composed of 3 members who shall be chosen in the following manner:
  - a. One member shall be appointed by the Town Manager
  - b. One member shall be appointed by the grievant;

- c. The third member shall be chosen by the members appointed by the Town and the grievant. If unable to agree on a third member, the chief judge of the Circuit Court of Caroline County shall select the third Panel member.
- 2. Eligibility to Serve on Grievance Panel. The Grievance Panel shall not be composed of any persons having direct involvement with the grievance being heard by the Panel, or with the complaint or dispute giving rise to the grievance. Managers who are in a direct line of supervision of a grievant, persons residing in the same household as the grievant and the following relatives of a participant in the grievance process or a participant's spouse are prohibited from serving as Grievance Panel members; spouse, parent, child, descendants of a child, sibling, niece, nephew, and first cousin. No attorney having direct involvement with the subject matter of the grievance, nor a partner, associate, employee or co-employee of the attorney shall serve as a Grievance Panel member.
- 3. Grievance Panel Selection Timeframe. Both the grievant and Town Manager shall make their appointments to the Grievance Panel within 10 calendar days after the request for a panel hearing is received. The two members shall select the third member within 10 calendar days and shall notify the Town Manager and the grievant of their decision.
- 4. Chairperson of Grievance Panel. The third Grievance Panel member shall chair the hearing. After consulting with the Town Manager and the grievant, the Chairperson shall set the time for the hearing. Notice shall be given to the grievant and the Town Manager. The hearing shall be held as soon as possible, but no later than thirty (30) calendar days from the date the third panel member is selected.
- D. The following rules apply to Step 4 final hearing before an administrative hearing officer or a grievance panel:
  - 1. The administrative hearing officer or Grievance Panel shall promptly set the date, time, and location for hearing the final hearing and shall notify the parties.
  - 2. Attendance. At the request of either party the hearing shall be private and limited to the grievant, the Grievance Panel members or administrative hearing officer as applicable, legal counsel or other representative of the grievant and the Town, witnesses as they are called to testify, and official recorders. However, the panel reserves the right to determine the propriety of attendance at the hearing of persons not having a direct interest in the hearing.
  - 3. The Grievance Panel, or administrative hearing officer, may at any time ask parties or their representatives for statements clarifying the issues involved in the grievance.
  - 4. Exhibits, when offered by the grievant or the Town, may be received as evidence by the Grievance Panel, or administrative hearing officer, and when so received shall be marked and made a part of the record.
  - 5. The parties may offer evidence and cross-examine witnesses and shall produce such additional evidence as the Grievance Panel, or administrative hearing officer, may deem necessary to an understanding and determination of the dispute. The formal rules of evidence do not apply.

- 6. The Grievance Panel, or administrative hearing officer, shall be the judge of relevancy and materiality of any evidence offered without regard to the burden of proof, or the order of presentation of evidence, so long as all parties shall be afforded a full and equal opportunity for the presentation of their evidence. All the evidence shall be taken in the presence of the Grievance Panel, or administrative hearing officer, and the parties, except by mutual consent of the parties.
- 7. At the conclusion of the presentation of the evidence, the Chairperson of the Grievance Panel or the administrative hearing officer, shall specifically inquire of all parties whether they have any further proof to offer or witnesses to be heard. Upon receiving a negative response, the Chairperson, or administrative hearing officer, shall permit the parties to summarize their cases and shall then declare the hearing closed.
- 8. Costs of Panel or Administrative Hearing Officer.
  - a. No person shall receive any compensation, whether monetary or otherwise, for time spent in serving as a member of a grievance panel. Notwithstanding this prohibition, a Town employee serving as a member of a grievance panel may receive the usual Town salary for the period spent in serving on such a panel.
  - b. Regardless of the outcome of the grievance, each party shall bear the costs and expenses of his or its legal counsel or representative, if any.
- 9. Information about Grievance. The Town shall provide the Grievance panel, or administrative hearing officer, with copies of the grievance record prior to the hearing and shall provide the grievant with a list of documents furnished to the Grievance Panel, or the administrative hearing officer, and the grievant and his attorney, at least 10 days prior to the scheduled hearing, shall be allowed access to and copies of all relevant files intended to be used in the grievance proceeding.
- 10. At least 10 calendar days prior to the scheduled hearing before the grievance panel or the administrative hearing officer, the grievant and the Town shall exchange all documents to be introduced at the Grievance Panel hearing or to the administrative hearing officer.
- 11. A potential witness list must also be produced and shared. The parties have the right to supplement the list of potential witnesses and documents until 3 days prior to the hearing or at a later date if the Chairperson, or administrative hearing officer, so allows.
- 12. Representation. Both the grievant and the Town may be represented by legal counsel or other representative at the hearing before the grievance panel or administrative officer. Such representatives may examine, cross-examine, question, and present evidence on behalf of the grievant or the Town before the Panel without being in violation of the provisions of the Virginia Code Section 54.1-3904. A person shall not serve as both a representative and a witness for the grievant.
- 13. Other Procedures. In all matters not otherwise covered by this Section, the Grievance Panel, or Administrative Officer, shall determine the procedures to be followed.

#### 18.14. Decision of the Grievance Panel or Administrative Hearing Officer

A. General. The decision of the Grievance Panel, or administrative hearing officer, shall be in writing and mailed by the Chairperson of the Grievance Panel, or the administrative hearing officer, to the Town Manager and the grievant not later than 10 days after the completion of the hearing. The decision shall summarize the grievance and the evidence, shall make specific findings of fact, and shall state in full reasons for the decision, and the remedy to be granted. If the hearing is conducted by a grievance panel, the decision shall be by majority vote of the entire Grievance Panel. The decision of the Grievance Panel, or the administrative officer, shall be final and binding and shall be consistent with law and written policy.

#### B. In Favor of Grievant

- 1. If the Grievance Panel, or the administrative hearing officer, finds based on the greater weight of the evidence, that the grievant has been denied a benefit or wrongly disciplined, it shall have the authority to reverse, reduce, or otherwise modify such action and, where appropriate, to order the reinstatement of such employee to his former position with back pay.
  - a. Back pay shall not exceed pay for time actually lost due to such suspension or dismissal, in an amount the Grievance Panel, or administrative hearing officer, determines to be equitable.
  - b. Any award of back pay shall be offset by interim earnings the grievant earned during the period of separation.
  - c. Restoration of annual and sick leave shall not exceed leave actually lost due to such suspension or dismissal, in an amount the Grievance Panel, or administrative hearing officer, determines to be equitable.
  - d. The administrative hearing officer or panel also has the power to sustain the Town's action.
- C. The Grievance Panel, or Administrative Hearing Officer Authority. The Grievance Panel, or the administrative hearing officer, shall not have the authority to do any of the following:
  - 1. Formulate policies or procedures;
  - 2. Alter existing policies or procedures;
  - 3. Grant relief greater than that which the grievant has requested on the Grievance Form.

#### 18.15. Implementation of Final Hearing Decision

A. Administrative Hearing Officer or Grievance Panel Decision. The decision of the panel or hearing officer shall be final and binding and shall be consistent with provisions of law and written policy. The question of whether the relief granted by a panel or hearing officer is consistent with written policy shall be determined by the Town Manager, or their designee, unless such person has a direct personal involvement with the event or events giving rise to the grievance, in which case the decision shall be made by the attorney for the Commonwealth of for the County of Caroline.

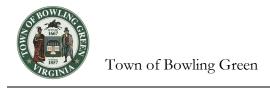
B. Implementation. The grievant or Town Manager may petition the Circuit Court of Caroline County for an order to implement the decision of the Grievance Panel or the administrative hearing officer.

#### 18.16. Compliance

- A. Notification. After the initial filing of a written grievance, failure of either part to comply with all substantial procedural requirements of the Grievance Procedure, including the Grievance Panel Hearing, without just cause shall result in a decision in favor of the other party on any grievable issue, provided the party not in compliance fails to correct the noncompliance within 5 workdays of receipt of written notification by the other party of the compliance violation. Such written notification by the grievant shall be made to the Town Manager.
- B. Extensions. The Town Manager may require a written explanation of the basis for just cause extensions or exceptions. The Town Manager shall determine compliance issues. Compliance determinations made by the Town Manager shall be subject to judicial review, which shall be initiated by the grievant by filing a petition with the Circuit Court within 30 calendar days of the compliance determination.

#### 18.17. Assistance with Grievance Procedure

Assistance in the use of the Procedure and forms to be used are available from the Town Manager or their designee.



**TO:** Town Council

**FROM:** Hope Toliver, Director of Finance, Treasurer **SUBJECT:** Extension of Personal Property Tax Due Date

**DATE:** October 30, 2025

#### **SUMMARY:**

The Town of Bowling Green Finance Department is requesting that the Town Council extend the due date for the payment of the personal property taxes. Taxes originally due on **December 5** will now be due on **January 9** of the year following assessment.

In accordance with the Town Code, the following provisions are in effect with the adjusted dates:

- If any taxpayer fails to pay the tax imposed on or before **January 9**, the taxpayer shall pay a penalty equal to **10% of the assessed tax or \$10**, whichever is greater. If the tax is less than \$10, the penalty will equal the amount of the tax.
- In addition to the penalty imposed, interest will accrue at the rate of 10% per annum on the delinquent tax and penalty, beginning January 12 and continuing until paid in full.

#### **STAFF RECOMMENDATION:**

Staff recommends that the Town Council adjust the due date for the personal property taxes to January 9.

#### **DRAFT MOTION:**

I move that the personal property tax due date be moved to Friday, January 9, 2026.



#### **MEMORANDUM**

**TO:** The Honorable Mayor & Town Council **FROM:** India Adams-Jacobs, Town Manager

**CC:** Jeff Gore, Town Attorney **DATE:** October 29, 2025

**SUBJECT:** Financial Advisor Services Engagement

#### **Background**

The Town Manager requests Town Council authorization to execute a professional services agreement with Davenport & Company for financial advisory services.

The Town requires professional financial advisory services to support strategic financial planning, policy development, and fiscal sustainability initiatives. Professional advisory services are necessary to establish comprehensive financial management policies aligned with industry standards and Virginia municipal best practices. Over the last year and a half, Davenport has been instrumental in assisting the Town with financial management and providing advisory support to the Town Manager and Council on critical policy input. As such, the Town Manager is requesting that the Town Council renew its engagement with Davenport & Company for the coming year, to continue its progress with financial management and sustainability.

#### Fiscal Impact

The fiscal impact is enclosed, which outlines the rates for the annual engagement.

#### **Authorization Request**

The Town Manager requests authorization to execute a professional services agreement with Davenport & Company for financial advisory services.

#### **Recommended Motion:**

I move to authorize the Town Manager to execute a professional services agreement with Davenport & Company for financial advisory services.



To: India Adams-Jacobs, Town of Bowling Green (the "Town")

From: Davenport & Company LLC ("Davenport")

Date: September 10, 2025

**Subject:** Financial Advisory Agreement & Compensation Amendments

#### **BACKGROUND**

Following up on our recent discussions related to our Financial Advisory Agreement (the "Agreement"), the Town is planning to contract with Davenport utilizing Montgomery County, Virginia's cooperative procurement RFP process. As such, the related Contract (Number 25-07, included in this file) between Davenport & Company LLC and Montgomery County, Virginia (the "Cooperative Procurement Contract") will serve as a basis for the Agreement between the Town and Davenport. Based on our recent discussions, Davenport would propose the following amendments to the compensation included in the Cooperative Procurement Contract.

#### PROPOSED AMENDMENTS TO COMPENSATION

#### A. Retainer Based Services

No annual retainer will be charged to the Town. For services provided under Article 2, Scope of Services, Section 2.2.A, Retainer Services in the Cooperative Procurement Contract, Davenport will be compensated on an hourly basis as shown in Section C below.

#### **B.** Transaction Related Services

As part of this engagement, Davenport will charge the following Not-To-Exceed ("NTE") fees for certain financing approaches. The actual fee amount will be determined based upon the complexity and scope of work for individual transactions. These NTE transaction charges will be adjusted annually beginning January 1, 2026, as outlined in Section E below.

Credit	Public Offering with Bond Rating	State Loan/Bond Pool Program	Direct Bank Loan (No Bond Rating)
General Obligation Bonds	NTE \$85,000	NTE \$75,000	NTE \$75,000
Lease Revenue, Leases, & Revenue Bonds	NTE \$95,000	NTE \$85,000	NTE \$85,000
Equipment & Vehicle Financing	N/A	NTE \$50,000	NTE \$50,000
Revenue/Tax Anticipation Note	N/A	NTE \$35,000	NTE \$35,000
Refunding Component Upcharge	NTE \$30,000	NTE \$30,000	NTE \$30,000

Other Financing Structures (e.g., Special Assessment Financings, Tax Increment Financings, Variable Rate Demand Obligations, etc.) would be negotiated on a transaction-by-transaction basis.



The Financial Advisor shall be compensated for any issuance of bonds and/or notes upon successful completion and closing of such financing, according to the provisions above. Should the Town terminate a financing prior to closing, the Financial Advisor shall be compensated for services provided prior to such termination according to the schedule of hourly rates found in Section C below.

#### C. Hourly Compensation

For services provided that constitute Capital Planning above and beyond the traditional scope of services associated with a bond transaction (including those outlined in Article 2, Scope of Services, Section 2.2.A, Retainer Services, and Section 2.2.C, Special Projects, in the Cooperative Procurement Contract), Davenport will invoice for services based on the schedule of hourly rates by position below. The hourly rates will be adjusted annually beginning January 1, 2026, as outlined in Section E below.

Senior Vice President	\$350
First Vice President	\$325
Vice President	\$300
Associate Vice President	\$275
Associate/Analyst	\$250

During each month or at such other frequency as requested by the Town, Davenport will receive compensation from the Town for the provision of services related to Capital Planning, as requested by the Town, and billed in accordance with the hourly fees above. The Town agrees to pay at the rate specified for services satisfactorily performed or provided in accordance with this Agreement. As agreed upon by the Town and the Financial Advisor, these fees can be incorporated with Transaction-Related fees addressed below to be paid from debt proceeds.

#### D. Additional Fee & Expenses

Customary direct out-of-pocket expenses (meals, lodging, and mileage) will be billed at cost. Additionally, Davenport will charge an additional fee equal to 4% of our compensation.

#### E. Inflation Adjustment Allowance

All fees and charges identified in Sections A, B, and C above shall be subject to annual adjustment based on the Consumer Price Index ("CPI") growth factor as published by the Bureau of Labor Statistics or similar/successor agencies for the period being billed using base prices as stated above.



#### **AKNOWLEDGEMENT**

The Town and Davenport acknowledge and mutually agree to the proposed amendments to the compensation included in the Cooperative Procurement Contract as outlined herein.

Davenport & Company LLC	Town of Bowling Green, Virginia	
 Signature	Signature	
Printed Name	Printed Name	
Title	Title	
Date	Date	

#### **ATTACHMENT**

Cooperative Procurement Contract between Davenport & Company LLC and Montgomery County, Virginia.



#### **MEMORANDUM**

**TO:** The Honorable Mayor & Town Council **FROM:** India Adams-Jacobs, Town Manager

**CC:** Jeff Gore, Town Attorney **DATE:** October 29, 2025

**SUBJECT:** Financial Policies-October 2025

#### **BACKGROUND:**

During the Town Council strategic planning retreat, the Town Manager and facilitator discussed the need to establish policies and procedures to improve the Town of Bowling Green's operations. As such, the Town Manager began drafting financial policies in collaboration with the Town's Financial Advisors and staff.

#### **SUMMARY:**

One of the cornerstones of good governance is sound policies. A municipality's financial policies serve as a framework for sound financial management and stewardship. One of the goals of Town Administration and Town Council, as identified during the strategic planning process, was to establish financial policies. In addition, the town's audit firm, based on its findings, suggested that the town develop financial policies.

#### STAFF RECOMMENDATION:

Staff recommend that Council adopt the financial policies to establish a policy that addresses organizational needs and satisfies management corrections, so the audit finding does not occur as part of the future FY26 audit process.

#### **DRAFT MOTION:**

I move that the Council adopt the financial policies.

# **Town of Bowling Green, Virginia**



# **Financial Policy Guidelines**

Adopted:\_\_\_\_\_



#### BASIS FOR SOUND FINANCIAL MANAGEMENT POLICIES

The primary objective of sound financial management policies is for the Town Council to create a framework within which financial decisions can be made. These policies are a statement of the guidelines and goals that influence and guide the financial management practices of the Town of Bowling Green. Financial management policies that are adopted, adhered to, and regularly reviewed are recognized as the cornerstone of sound financial management. Sound financial management policies:

- Contribute significantly to the Town's ability to insulate itself from fiscal crisis and economic disruption.
- Enhance short-term and long-term financial credit ability by managing to the parameters that would put the Town in-line with the highest credit and bond rating categories as possible.
- Promote long-term financial stability by establishing clear and consistent guidelines.
- Direct attention to the total financial picture of the Town rather than single-issue areas.
- Promote the view of linking long-term financial planning with day-to-day operations.
- Provide the Town Council and residents with a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.
- Ensure that the organization has sufficient resources to perform mandated responsibilities.
- Provide a foundation for evaluating financial analysis and condition.

#### FINANCIAL MANAGEMENT POLICIES

The Town intends to adhere to these policies. If there is any anticipated or unplanned variance from these policies, staff will advise Town Council and establish a plan for recovery within three to five years. If restoration cannot be accomplished within such time period without severe hardship to the Town, then the governing body will establish a different but appropriate time period.

## Policy I - Fund Balance

#### General Fund- Unassigned Fund Balance

The Town of Bowling Green's Unassigned General Fund Balance (UGFB) will be maintained at a level to provide the Town with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.

- The Town shall not use the Unassigned General Fund Balance to finance recurring operating expenditures.
- The Town's policy is to maintain an unassigned fund balance in the general fund equal to 25% of general fund operating expenditures excluding capital outlay. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the Town shall restore the Unassigned General Fund Balance to the previous level within three years. Fund balance in excess of this policy may be considered for "pay-as-you-go" capital outlay expenditures, other non-recurring expenditures or funding of additional/necessary reserves.
- The Town will balance achieving its targeted fund balance level with its annual "Pay as you go" capital improvement requirements.



# Enterprise Funds

#### **Water Fund**

Minimum ending Unrestricted Cash and Cash Equivalents shall not be less than 50% of Operating Expenses, or 180 days of cash on hand. At this level, the Town would be able to sustain operations for one-half of the fiscal year, during an economic downturn. In the event the ending Unrestricted Cash and Cash Equivalents falls below the minimum of 50% of operating expenses, the Town shall restore the Unrestricted Cash and Cash Equivalents to the minimum of 50% within three years. Funds in excess of the annual requirements may be considered for "pay-as-you-go" capital outlay expenditures, other non-recurring expenditures or funding of necessary reserves. Operating Expenses exclude debt service and transfers for the purposes of calculating this policy.

• A rate review will be conducted periodically, between 3-5 years.

#### **Sewer Fund**

Minimum ending Unrestricted Cash and Cash Equivalents shall not be less than 50% of Operating Expenses, or 180 days of cash on hand. At this level, the Town would be able to sustain operations for one-half of the fiscal year, during an economic downturn. In the event the ending Unrestricted Cash and Cash Equivalents falls below the minimum of 50% of operating expenses, the Town shall restore the Unrestricted Cash and Cash Equivalents to the minimum of 50% within three years. Funds in excess of the annual requirements may be considered for "pay-as-you-go" capital outlay expenditures, other non-recurring expenditures or funding of necessary reserves. Operating Expenses exclude debt service and transfers for the purposes of calculating this policy.

• A rate review will be conducted periodically, between 3-5 years.

## Policy II - Debt Management

# **Tax-Supported Debt**

Tax-supported debt obligations are those that are expected to be repaid from the General Fund tax revenue of the Town of Bowling Green. These include general obligation bonds (except self-supporting bonds) and capital leases. General obligation bonds issued for self-supporting enterprise funds are not included in calculations of tax-supported bonds.

- The Town does not currently use nor does it anticipate using short-term borrowing to fund current operations; however, should the Town experience a financial hardship whereby a short-term Revenue or Tax Anticipation Note may be helpful in allowing enough time to address the structural imbalance, the Town may do so with the goal of rectifying the short-fall within 12 to 24 months.
- The Town will not use long-term debt to fund current operations.

Whenever the Town finds it necessary to issue tax-supported bonds, the following policy will be adhered to:

- 1. The Town will not borrow more than it has the capacity to repay.
- 2. The term of any bond issue will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.



## **Revenue-Supported Debt**

The Water and Sewer Funds may issue General Obligation or Revenue-Supported Debt.

Revenue-supported obligations are those for which the debt service is payable solely from the revenue generated from the operation of the project being financed or a category of facilities (i.e. water and sewer). These are not considered tax-supported debt of the Town. Whenever the Town finds it necessary to issue revenue-supported bonds, the following guidelines will be adhered to:

- 1. Revenue-supported and general obligation bonds for enterprise fund purposes will be structured to allow equal or declining annual debt service payments over a term not to exceed the life of the project being financed. For those revenue-supported bonds issued through the State or Federal Programs (i.e., Revolving Loan Fund, USDA Rural Development, among others), annual debt service payments shall not exceed thirty or forty years, depending upon specific program requirements.
- 2. For each of its enterprise funds (i.e., Water and Sewer), the Town will strive to meet a minimum for Debt Service Coverage Ratio of 1.15 times debt service, with a goal in excess of 1.25 times. The Debt Service Coverage Ratio will factor in all Operating Revenues less Operating Expense, to arrive at Net Operating Revenues Available for Debt Service.
- **3.** In the event net revenues available for debt service falls below 1.15 times annual debt service of any fiscal year, the Town shall restore the net revenues available for debt service to the minimum of 1.15 times within three years.

## Refinancing of Debt

The Town shall issue refunding bonds to achieve debt service savings, eliminate onerous covenants or provisions in outstanding bond documents, or to respond to a financial emergency.

The Town shall regularly monitor its outstanding debt to identify instances where the Town may achieve savings through an advance refunding or current refunding transaction.

The Town shall receive a written refunding analysis indicating the amount of net present value savings from its financial advisor prior to selling bonds to refund any outstanding bonds.

• A refunding transaction to achieve debt service savings should only be undertaken when the net present value of the savings, net of issuance costs, will be at least 3% of the principal amount of the refunded bonds, unless otherwise approved by the governing body. Refunding transactions for revenue bonds can be structured so that savings are realized over the life of the refunding bonds or up-front, depending on the results of a cost-benefit analysis.

#### **General Debt Policies**

• In the event the Town obtains bond ratings, the Town will maintain communication with bond rating agencies to keep them abreast of its financial condition and will provide them with information on a timely basis including the Town's Annual Financial Report, Adopted Budget and Capital Improvement Program. The Town shall comply with all of its undertakings in accordance with Securities and Exchange Commission Rule 15c2- 12 and will follow the Government Finance Officers' Association and Securities and Exchange Commission requirements for continuing disclosure.



## Policy III- Budget Principles

- Public participation in the budgetary process will be encouraged.
- The Town will avoid dedicating revenue to a specific project or program because of the
  constraint this may place on flexibility in resource allocation except in instances where programs
  are expected to be self-sufficient or where revenue is dedicated to a program for statutory or
  policy reasons.
- The budget process will be coordinated in a way that major policy issues are identified for Town Council several months prior to consideration of budget approval. This will allow adequate time for appropriate decisions and analysis of financial impacts.

#### **Policies**

- Town Council shall adopt a balanced budget in accordance with all legal requirements.
- The Vision and priorities established by Town Council as well as the Strategic and Comprehensive Plans will serve as the framework for the budget proposed by the Town Manager.
- A structured budget preparation and formulation process shall be used for all departments and agencies receiving funding from the Town.
- Departmental budgets shall be managed within the total appropriated budget for each fiscal year.
- All operating budget appropriations shall lapse at the end of the fiscal year to the extent that they
  are not expended or encumbered.
- The budget shall be adopted by the favorable vote of a majority of members of Town Council.
- The fiscal year for the Town is July 1 through June 30.
- One-time revenues shall be used for one-time expenditures only.
- The Town will establish a Contingency line item in the Operating Budget up to 10% of the Estimated Revenues in order to account for unexpected Expenditures.
- A General Fund Reserve for Contingencies shall be used as a source of funding for unanticipated
  expenditures during the budget year. The Reserve for Contingencies is limited to one-time
  expenditures and shall not be considered a source for recurring financing.

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#### **Process**

The Town Manager shall annually prepare a Proposed Budget for Town Council review. The Proposed Budget shall serve as a financial plan for the upcoming fiscal year and shall contain the following information:

- 1. A budget message that outlines the proposed revenues and expenditures for the upcoming fiscal year together with an explanation of any major changes from the previous fiscal year. The budget message should also include any proposals for major changes in financial policy.
- 2. Charts indicating the major revenues and expenditures in each major fund (General, Water, Sewer, etc.) as well as changes in fund balance for all funds.
- **3.** Summaries of proposed expenditures by function, department and activity for all funds proposed to be expended in a fiscal year.
- 4. A schedule of estimated requirements for the principal and interest of each bond issue.
- 5. A three-year history of revenues and expenditures to include the prior year actual, current year adopted, revised, and proposed budgets for each major fund.
- 6. The proposed budget appropriation resolution including the tax levy.
  - The Town Council shall hold a public hearing on the budget submitted by the Town Manager, and all interested residents shall be given an opportunity to be heard on issues related to the proposed budget, including the Capital Improvement Program.
  - Following the public hearing on the Proposed Budget, Town Council may make adjustments in instances where Town Council increases the total proposed expenditures, it shall also identify a source of funding at least equal to the proposed expenditures.

## Capital Improvement Program

- A five-year Capital Improvement Program (CIP) that serves as the basis for annual capital appropriations and debt financing requirements shall be prepared and updated annually.
- The CIP shall include descriptions, timeline, cost estimates, and a schedule of expected expenditures for each project.
- Debt service requirements and funding needs for Town government shall be determined based on the Adopted CIP.
- Long-term borrowing shall be confined to major capital improvements and long-lived equipment purchases.
- Short-term borrowing shall be limited to bond anticipation notes and vehicle/equipment leasing, where feasible, and shall not exceed the useful life of the asset being purchased.
- Capital project appropriations shall lapse upon project completion, allowing for an adequate warranty period. Lapsed appropriations shall remain in the Capital Fund for reallocation to other projects.
- Incremental operating costs associated with capital projects shall be funded in the operating budget after being identified and approved in the Capital Improvement Program.
- Pay-as-you-go funding, including State Highway Maintenance Funds, State Revenue Sharing
  Funds, State and federal grants, and other cash sources, shall not be less than 10%, with a goal of
  15%, of the Town's 5-Year CIP.



## **Quarterly Financial Reporting**

- The Finance Director & Town Manager will present to the Town Council quarterly financial reports identifying meaningful trends in revenues and expenditures for the General and Enterprise Funds.
- First Quarter Review
  - O Budget staff will evaluate requests for the carry forward of funds remaining from prior year appropriations and other possible budget adjustments. Section 15.2-2507 of the Code of Virginia requires that a public hearing be held prior to Town Council action when a proposed budget amendment exceeds one percent of the total expenditures shown in the currently adopted budget.
  - O Third Quarter Review Budget staff will evaluate all expenditures and revenues as compared to budget and make recommendations to Town Council regarding possible budget adjustments. Section 15.2-2507 of the Code of Virginia requires that a public hearing be held prior to Town Council action when a proposed amendment of the budget exceeds one percent of the total expenditure shown in the currently adopted budget.

## Policy IV - Investment

#### I. Policy Statement

It is the policy of The Town of Bowling Green, Virginia ("the Town") that the investment and administration of its funds be made in accordance with the Code of Virginia Investment of Public Funds Act, the applicable provisions of any outstanding bond indebtedness, and this policy. The Town shall be in complete compliance with all applicable federal, state, and local laws, and other regulations and statutes governing the investment of public funds. Within those parameters, the goal of this policy is to invest the Town's moneys based upon the following in order of priority:

- Protection and preservation of principal;
- Liquidity; and
- Yield.

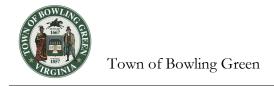
The Town Manager, Finance Director/Treasurer and Financial Advisors will review the town's investments quarterly.

This Committee will provide broad policy oversight over investments and, at a minimum, provide quarterly reporting to the governing body. This policy will be reviewed on an annual basis. Any changes must be approved and adopted by Town Council.

#### II. Receipt of Donations

From time to time, the Town may receive donations directly from other entities. Prior to accepting the gift, the Town Staff will consult with Town Council and Legal Counsel in order to obtain direction on how best to:

- Account for the gift within its financial statements;
- If applicable, Invest the gift, keeping in mind the potential for protecting principal and maximizing interest earnings; and
- Further restrict or program the gift for future use (i.e., selling the asset, restricting it for specific purposes, spending on specific projects, among others).



TO: The Honorable Mayor & Town Council FROM: India Adams-Jacobs, Town Manager SUBJECT: Legislative Agenda- Amendment

**DATE:** October 30, 2025

#### **SUMMARY:**

At the September work session, the Town Manager briefed the Town Council that she would be drafting a legislative agenda to outline the Town's legislative priorities. During the meeting, the Town Council provided directions to the Town Manager to proceed with the legislative priorities outlined in the agenda packet. This is the Town of Bowling Green's second legislative agenda package, conveying the Town's highest priorities ahead of the upcoming legislative session at the state and federal levels of government.

Since this meeting, a request for alternative discounted fees has been made. The state code allows for discounted feed and charges for low-income, elderly, or disabled customers; however, the provisions have requirements and or require approval from the General Assembly. As such, I am recommending that the Town Council consider amending the legislative agenda to include this request for a sponsor as part of the upcoming legislative process.

#### **ALTERNATIVES:**

The Town Council could decide not to amend the agenda for this request at this time.

#### FISCAL IMPACT:

None at this time. However, should the Town be successful in joining the other two Towns of Altavista and Lousia, to have this authority, significant analysis would need to occur to establish the discount fee and adjust other rate structure fees to maintain our utility system and operations.

#### **RECOMMENDATION:**

Staff recommends the adoption of the resolution to approve this legislative request.

#### **DRAFT MOTION:**

I move to amend the 2026 legislative agenda to include the request for a sponsor to provide discounted fees for specific low-income, elderly, or disabled customers.



# Legislative Agenda

# **Bowling Green Town Council**

Tina Gambill, Mayor
Valarie Coyle, Vice Mayor
David Storke
Randy Hageman
Dr. John Chinault
Daniel Webb
Jean Davis
Jeff Voit

# Town Manager

Ms. India Adams-Jacobs, Town Manager

# **Town Attorney**

Mr. Jeff Gore, Town Attorney

# TOWN OF BOWLING GREEN FEDERAL & STATE REPRESENTATIVES

#### U.S. Senator Tim Kaine (D)

919 East Main Street Suite 970 Richmond, VA 23219 Phone: (804) 771-2221

#### U.S. Senator Mark Warner (D)

919 East Main Street Suite 630 Richmond, VA 23218 Phone: (804) 775-2314

### Congressman Eugene Vindman (D), 7th District

1005 Longworth House Office Building Washington, DC, 20515-4607 Phone: (202)225-2815

# Senator Richard Stuart (R), 25th Senate District

General Assembly Building Room No: 510 Senate of Virginia P. O. Box 396 Richmond, VA 23218 Phone: (804) 698-7525 Fax: (804) 698-7651

senatorstuart@senate.virginia.gov

# Delegate Hilary Pugh Kent (R), 67th House District

General Assembly Building Room No: 1018 201 North 9<sup>th</sup> Street Richmond, Virginia 23219 DelHKent@house.virginia.gov

#### **Preface**

The Town Council of Bowling Green respectfully submits this 2026 State Legislative Package for your review, consideration, and support of the items contained within.

These initiatives were thoroughly vetted by the town's Council and administrative leadership. The town's adopted mission statement is:

Our mission is to serve the citizens of Bowling Green and the Town's visioning principles are as follows:

- ➤ Vibrant, lively, thriving community
- > Sustainable/resilient
- > Connected regionally
- ➤ Walkable/connected neighborhoods
- A destination for visitors
- > Small town vibe; a village with historic charm
- A cultural & business center of Caroline County
- ➤ Beautiful public spaces and streetscapes

The enclosed legislative requests are addressed within aligning with the Town Council's Strategic Work Plan. The Bowling Green Action Plan goals that align with our legislative requests are as follows:

- ➤ Utilities Improve and maintain the Town's water and sewer system infrastructure, including water supply, treatment facilities and distribution/collection systems.
- Economic Development Support business development and expansion that enhances the tax base and provided gainful employment.
- ➤ Smart Growth Support development that improves community vitality.
- ➤ Vibrant Downtown Act to ensure that the Town remains an attractive, historic, and convenient center for commerce, culture, and services as the County seat.
- ➤ Government Performance Improve organizational efficiency and effectiveness in service delivery through the adoption of appropriate policies, procedures, and practices; adapt and implement best practice.
- Financial Management Provide fiscally responsible, sustainable, and resilient financial management that addresses both current and future needs.

In closing, please know that the Bowling Green Council members are ever grateful for the coordinated and collaborative partnership we share with you on matters of importance to the historic town of Bowling Green, the County seat of Caroline County. We seek your support for our legislative initiatives and any other legislative and budgetary matters impacting the Town of Bowling Green, which may arise during the 2026 legislative session. Lastly, we thank you for your service to our town and the Commonwealth, and we look forward to working with you again in the upcoming legislative sessions.

# A RESOLUTION 25-010 OF THE TOWN OF BOWLING GREEN COUNCIL ADOPTING THE 2026 LEGISLATIVE AGENDA

**WHEREAS,** the Town of Bowling Green is impacted by action taken by the U.S. Congress; the Virginia Legislature, and others;

WHEREAS, the Town Council wishes to adopt a legislative agenda that includes legislative priorities, positions, sponsors, and action for each item on the agenda; and

**WHEREAS,** adoption of the agenda provides direction to the Town Manager and Legislative Advocates, as well as requests for action and support from legislative representatives; and

**WHEREAS**, once adopted, Council wishes for the agenda to be submitted to each of the Town's legislative representatives and legislative advocates.

**NOW, THEREFORE, BE IT RESOLVED**, that the Town Council of Town of Bowling Green, Virginia, that the Town of Bowling Green, hereby approves and adopts the 2026 Legislative Agenda.

**BE IT FURTHER RESOLVED,** by the Town Council of the Town of Bowling Green, Virginia, that the Town Council directs the Town Manager to take all necessary actions to support the Town's legislative priorities, positions, sponsors, and action items and to provide a copy of the agenda to each of the Town's legislative representatives and legislative advocates.

	Tina Gambill, Mayor	
ATTEST:	_	
Adopted by the Town of Bowling Green, Virginia, this	day of	, 2025

# Town of Bowling Green 2026 Legislative Requests

	<u>Item</u>	<u>Goal Area</u> <u>Alignment</u>	Requested by	<u>Position</u>
1.	Request funding for water system improvements (State)	Utilities	Town Council/Town Manager	Request sponsor
2.	Request funding assistance with sewer system improvements (Federal & State)	Utilities	Town Council/Town Manager	Request sponsor
3.	Request funding assistance for Town Green Park & Pavilion	Economic Development/Smart Growth	Town Council/Town Manager	Request sponsor
4.	Support & Advocacy for Ft. A.P. Hill (Federal & State)	Economic Development/Smart Growth	Town Council/Town Manager	Request sponsor
5.	Request the authority to establish the Utilities Discount Program for low-income, elderly, or disabled customers	Utilities	Town Council/Town Manager	Request Sponsor

# **Town of Bowling Green Policy Positions**

The Town of Bowling Green hereby supports the Virginia Municipal League's policy position. In addition, the Town specifically holds the following policy positions as adopted by the Town Council as part of this legislative agenda.

The general legislative policy stance of the Town of Bowling Green is that local governments need broad authority from the General Assembly to address specific local problems and issues. While counties, cities, and towns across the Commonwealth experience similar challenges, the appropriate response may vary from locality to locality. Therefore, the General Assembly should empower local governments without dictating one statewide solution to complex issues.

Listed in alphabetical order.

**Land Use:** The Town of Bowling Green supports maintaining and expanding local authorities to plan and regulate land use and **opposes** any legislation that weakens these key local responsibilities. Specifically, the Town asks the General Assembly to:

- Oppose the mandated expansion of by-right uses.
- Oppose the modification of procedures guaranteeing public participation in the review and approval process for land use applications; and
- Oppose the classification of land within localities by state agencies that limits the development of properties or that requires changes to uses identified in a localities comprehensive plan.

The Town supports local government authority to promote affordable and mixed income housing as well as local government decision making on designing and building infrastructure as needed to facilitate in-fill development, redevelopment and/or mixing of uses. Any mandate from the state should include full funding for the locality, but no mandate should negate local government autonomy.

Local Control (Tax Policy Changes): Local governments must retain control of their existing revenue sources to have a reliable revenue base to meet citizen needs. To ensure the stability and long-term viability of Virginia local governments, the General Assembly must broaden, not restrict, the revenue sources available to local governments. Any changes to Virginia's system of local taxation authority should provide flexibility for local governments to provide tax relief, not arbitrary caps on rates or assessment increases or blanket moratoriums. It is the town's position that local governing bodies are better positioned to make these types of policy decisions with input from the communities they serve.

**Local Excise Taxes**: The Town of Bowling Green supports statewide authority for local governments to establish an excise tax on the sale of vaping products. We also support the statewide authority for local governments to establish and excise tax on the sale of cannabis products.

Relationship of Towns to Counties: Towns and Counties have a unique, often mutually beneficial relationship, built on trust and respect for processes and plans. Historically, towns are essential units of local government, providing enhanced services to incorporated, urbanized areas of counties. The General Assembly must carefully review all legislation dealing with local governments to enact only such laws that support collegial partnership between towns and their surrounding counties.

**Sovereign Immunity:** Expanding liability and eroding immunities at state levels across the nation have had a chilling effect on the actions of local government officials contributing to local government insurance problems, creating immense financial risks (particularly for legal cost), and posing a substantial obstacle to the provision of needed public service. The Virginia General Assembly should strengthen and must maintain the principles of sovereign immunity for local governments and their officials.

**Support Law Enforcement**: The Town of Bowling Green asks the General Assembly to support Law Enforcement in Bowling Green and throughout the Commonwealth:

- Support ongoing funding to ensure that law enforcement personnel are appropriately compensated.
- The General Assembly should honor its commitment to local governments and public safety by funding the HB599 program as stipulated in the Code of Virginia.

**Taxation:** The General Assembly should authorize additional alternative and equivalent revenue sources for local governments prior to any repel of the current authority for machinery and tools taxes and business professional occupation license taxes. Actions should be careful not to provide a tax preference or tax policy advantage for any sector of the market at the expense of another sector in the competitive field, but instead should seek to preserve state and local revenue; should ensure safety, reliability, and access for consumers, providers, and the public and should protect local government's ability to regulate businesses whether they are traditional, electronic, Internet-based, virtual or otherwise. The General Assembly should set the Virginia Communications Sales and Use Tax rate at the same level as the state sales tax rate and broaden the coverage of the tax to include audio and video streaming services, prepaid calling cards, and internet-based applications that are not internet service providers.

**Transportation:** The Town of Bowling Green supports an increase in state allocation for transportation needs throughout the Commonwealth in a manner that results in a fair distribution among transportation needs and geographic areas in such a manner that does not prioritize interstate highway funding over local roadway needs.