

COUNCIL WORKSHOP MEETING

A G E N D A

TOWN OF CHINCOTEAGUE

May 19, 2011, 5:00 P.M. - Council Chambers - Town Hall

CALL TO ORDER

INVOCATION BY COUNCILMAN T. HOWARD

PLEDGE OF ALLEGIANCE

AGENDA ADDITIONS/DELETIONS AND ADOPTION:

1. Presentation/Discussion – Draft Hazard Mitigation Plan/ Management
2. Discuss Establishing a Committee to look into Issues for Public Wastewater
3. Discuss the State of Virginia, Line of Duty Act
4. Discuss Cemetery Grass Cutting
5. Discuss a Letter to VDOT for the Town to Maintain the Landscape Easement of the New Bridge
6. Council Member Comments

ADJOURN:



STAFF REPORT

To: Robert Ritter, Town Manager
From: William Neville, Director of Planning
Date: May 16, 2011
Subject: Hazard Mitigation Plan

- ❖ **Town Council to review proposed update to the Hazard Mitigation Plan (HMP)**
 - ❖ **Consider proposed project list**
 - ❖ **Consider new concepts and recommendations**
 - ❖ **Schedule public hearing for draft HMP Update – June 6th or August 1st**
-

Hazard Mitigation is defined as any sustained action taken to reduce or eliminate long-term risk to human life or property from hazards.

The United States Congress passed, in October 2000, an amendment to the Stafford Act called the Disaster Mitigation Act of 2000. This act seeks to protect lives and property and to reduce disaster assistance costs by mitigation or sustained actions to reduce long-term risk. FEMA has since written regulations based on this act to establish the Pre-Disaster Mitigation Grant Program (PDM) and new requirements for the post-disaster Hazard Mitigation Grant Program (HMGP).

Local governments are required to complete a Hazard Mitigation Plan to continue to receive certain types of disaster assistance. Specifically, the Act requires that the plan demonstrate “a jurisdiction’s commitment to reduce risk from natural hazards, serving as a guide for decision makers as they commit resources to reducing the effects of natural hazards.” The final plan must be adopted by the jurisdiction and then approved by the Federal Emergency Management Agency (FEMA).

In 2003, the Virginia Department of Emergency Management asked the counties of the Eastern Shore and the Accomack-Northampton Planning District Commission (PDC) to undertake this work and directed the PDC to apply for a Pre-disaster mitigation grant to finance the planning process. The resulting regional Eastern Shore of Virginia Hazard

Mitigation Plan was reviewed by FEMA, and the sections pertaining to the Town of Chincoteague were approved and adopted by the Town Council on September 5, 2006.

An update is required by the 5th year anniversary of the adoption of the Plan (September 5, 2011) that allows the community the opportunity, through advertised public hearings, to comment on plan revisions prior to the Town Council approving them. Eastern Shore localities are currently working with Curtis Smith of the A-NPDC to complete the Hazard Mitigation Plan update.

New Concepts and Recommendations

Although the current HMP is thorough in its evaluation of past natural hazard events, there are specific areas of vulnerability that should be incorporated in the update to assist in grant applications or other objectives.

- ✓ Barrier Island Protection Measures
- ✓ Commercial Main Street Building Flood Protection
- ✓ Critical Infrastructure
- ✓ Shallow Coastal Flooding/Drainage Improvements
- ✓ Storm Surge and Peak High Tide Events

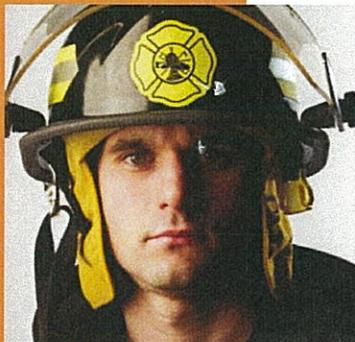
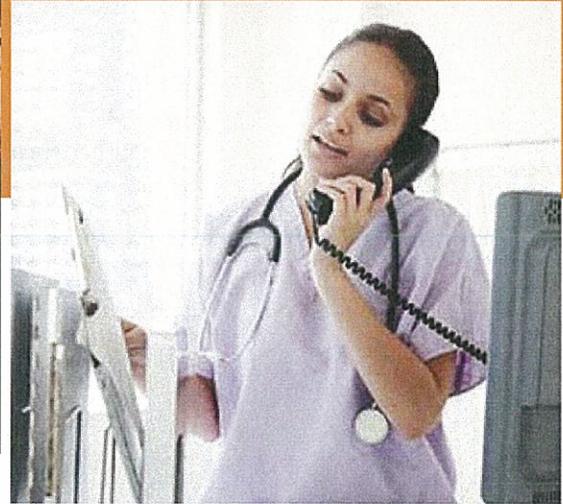
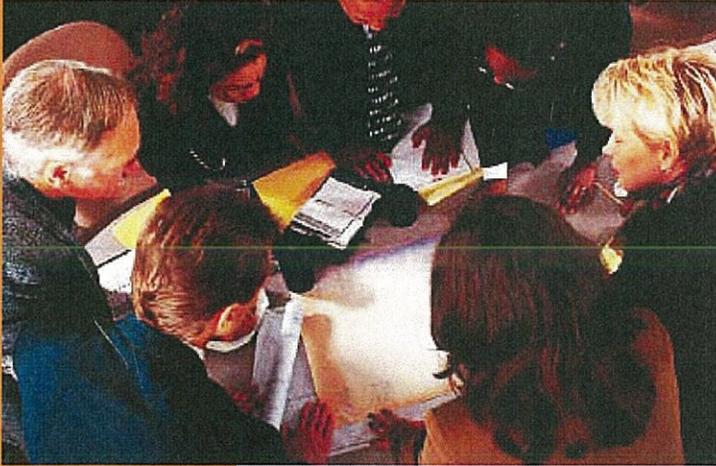
Proposed Mitigation Projects

The project list that was adopted in 2006 has been generally completed. New projects must be listed in the approved HMP before they may be eligible for grant application. Several new project ideas have been proposed for consideration:

- Phase 2 Stormwater Study design for Fowling Gut
- Widen the Route 175 Causeway (shoulders, emergency lane/bike lane, center barrier)
- Develop enforceable standards for fill and drainage
- GIS mapping project to evaluate incremental flooding issues
- Study and map critical infrastructure including new FEMA wave analysis
- Commercial Building flood proofing along Main Street
- Coordinate studies and maps with Emergency Operations Plan and Comprehensive Plan

Potential Grant Applications

Hazard Mitigation Grant Program funding is available under the last winter storm disaster declaration. Applications are due to VDEM and must be completed by June 1st. Successful applications must demonstrate a cost/benefit analysis that shows a long term reduction in cost to FEMA.



Line of Duty Act Coverage Proposal

Quote for Coverage Effective July 1, 2011 - July 1, 2012



PO Box 3239
Glen Allen, VA 23058
(800) 963-6800
www.vmlins.org

Dear VMLIP member,

Enclosed please find VML Insurance Programs (VMLIP)'s quote for Line of Duty Act (LODA) Coverage for the 2011-12 fund year based on your completed LODA exposure questionnaire.

While we are pleased to have been able to put together a program in a short time frame, please read this letter and the enclosed quote terms and conditions *very carefully* as you consider the best option for your entity to meet its LODA mandate.

VMLIP has conducted an independent actuarial review utilizing LODA loss data provided by the state, VMLIP member LODA exposure, medical inflation trends, life expectancy tables, and a variety of other assumptions to estimate liabilities and developing rates. The words "assumptions and estimate" are important. There are neither industry base rates nor an ample body of case law to add a measure of predictability to the model. The fact that LODA claims are severity claims rather than frequency claims also presents predictability challenges.

LODA benefits fall into two categories: (1) a lump sum death benefit; and (2) continued health insurance for claimants and dependents. Over time, the cost to provide continued health insurance will be the lion's share of the cost because of the significant time health benefits may be paid out to a claimant/dependent. That could easily be 40+ years. This means that actual results can vary from initial estimates to a greater degree than other coverages where claims close comparatively quickly.

The *known* key cost driver for LODA claims will be medical inflation. On a national level the healthcare landscape is changing. We do not know what additional national health care mandates, including potential changes to Medicare, may have on the provision of LODA benefits over the near or long term. We do not know what further havoc the Virginia General Assembly may wreak via changes to the Line of Duty Act. These are *unknown* potential cost drivers.

VMLIP is mindful of members' acute fiscal challenges and as such, has elected to offer a 2011-12 rate plan that will not likely be sustainable. Long time members know that the Members' Supervisory Board and VMLIP management have kept firm to our commitment made in 1980 to maintain stable rates.

Further, we have always believed it vitally important to maintain a conservative funding strategy to ensure that the pool is able to meet its obligations without assessing members, provide comprehensive coverage and the depth and breadth of top notch service necessary to assist members best manage their risk.

As a result, VMLIP currently maintains a very strong surplus position and is potentially able to absorb any shortfall that may occur. That would certainly be a goal. We cannot, however, guarantee that. As is the case with any line of coverage in any Virginia group self insurance pool, members are assessable. LODA coverage presents more risk to the pool than other lines of coverage. Some of these risks include the absence of credible loss

experience, a statute devoid of consideration as to how costs are to be apportioned, a seemingly fluid statute of limitations, no appeal process for local governments if we disagree with a claims decision made by the State Comptroller, and no ability to settle a claim.

While our initial rates are the same for all members, VMLIP will move as quickly as possible to an experience rated model. LODA claims are severity claims, which present a challenge in using loss experience to develop premiums as there won't be that many claims in any given year. Of our approximate 180 members with LODA exposure, only 25 have ever had a claim. Medical inflation and a changing statutory/regulatory landscape will be the principal costs drivers as these claim remain active over potentially multi-decade timeframes. Those entities with comparatively richer health plans should expect to pay a higher rate.

We have taken a more conservative posture with respect to volunteer fire and rescue than has the state fund. While they are using an arbitrary 25 percent of the employee rate, we **have decided to use 37.5 percent.** We did this because we are confident that volunteer fire and rescue is significantly underrepresented in the state claims history compared to the percentage of volunteer fire and rescue personnel to other LODA eligible categories. We feel confident that this is because many localities have not met their statutory training obligations and many volunteers have been unaware of the benefits. Obviously, that is about to change.

We cannot begin to know whether our LODA offering will cost less than other options you may be considering – especially over the longer term. Anyone that tells you their offering will cost less over time either has a crystal ball or is making a claim we do not feel comfortable making.

What VMLIP can offer with a high degree of confidence is our track record of looking out for the interests of local government for the past 31 years, an opportunity to have more control over your LODA monies than with the state fund, and a responsible funding strategy that can meet your short and long term needs.

If you have questions please feel free to contact me anytime.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Steven Craig". The signature is fluid and cursive, with a large loop at the end.

P. Steven Craig
Managing Director

Enclosure



TOWN OF CHINCOTEAGUE

Line of Duty Act (**LODA**) Coverage Quotation

Policy Period:

7/1/2011 - 7/1/2012

Number of LODA eligible other than volunteer fire and rescue: 16

Number of LODA eligible volunteer fire and rescue:

Rate per employee \$200

Rate for volunteer fire and rescue \$75

Estimated premium for other than volunteer fire and rescue \$3200

Estimated premium for volunteer fire and rescue \$0

Estimated total premium \$3200

Please carefully review all attached coverage terms and conditions.

LINE OF DUTY ACT Overview

The Line of Duty Act provides eligible public safety personnel with certain benefits if they are killed or disabled in the line of duty.

Statutory Benefits

Death Benefit:

- \$100,000 lump sum payment (\$25,000 if a presumption claim or if death is within five years of retirement)

Health Insurance Benefit:

- Employee/volunteer (in case of disability) – for life
- Spouse (in case of death or disability) – for life or other insurance
- Children (in case of death or disability) – generally to age 21 (to 25 if a full time college student or if disabled for three months after duration of disability)

Other LODA Local Government Obligations

§ 9.1-403(D) provides that within 10 business days of being notified by an employee, or an employee's representative, that such employee is permanently and totally disabled due to a work-related injury suffered in the line of duty, the agency or department employing the disabled person shall provide him with information about the continued health insurance coverage provided under this act and the process for initiating a claim. The employer shall assist in filing a claim, unless such assistance is waived by the employee or the employee's representative.

§ 9.1-407 provides that any law-enforcement or public safety officer entitled to benefits under this Chapter shall receive training concerning the benefits available to himself or his beneficiary in case of disability or death in the line of duty. The Secretary of Public Safety shall develop training information to be distributed to agencies and localities with employees subject to this Chapter. The agency or locality shall be responsible for providing the training. Such training shall not count towards in-service training requirements for law-enforcement officers pursuant to § [9.1-102](#).

LODA Eligible Personnel

Paid Personnel

- Law enforcement officers
- Jail officers
- Regional jail or jail farm superintendents
- Sheriffs
- Deputy sheriffs
- Conservation police officers who receive compensation from a county, city or town appointed pursuant to the provisions of § [29.1-200](#)
- Regional hazardous materials emergency response team members

Paid Personnel (special circumstances)

“Any employee of any county, city, or town performing official emergency management or emergency services duties in cooperation with the Department of Emergency Management, when those duties are related to a major disaster or emergency, as defined in § [44-146.16](#), that has been or is later declared to exist under the authority of the Governor in accordance with § [44-146.28](#) or a local emergency, as defined in § [44-146.16](#), declared by a local governing body...”

Any person authorized to respond in the event of an emergency would be eligible during the course of the declared emergency. ***VML Insurance Programs is not making a premium charge for these individuals.***

Volunteer Personnel

Members of any fire company or department or rescue squad that has been recognized by an ordinance or a resolution of the governing body of any county, city or town of the Commonwealth as an integral part of the official safety program of such county, city or town.

Note the term “member” is undefined and the Line of Duty Act (LODA) makes no distinction between active, inactive, junior or any other classification that may be used on a local level. With respect to LODA eligibility it does not matter where calls are run or if the person actually fights fires.

Local Government Options

Local governments have three options to fund their LODA obligations including a state fund, individual self insurance or group self insurance.

State Fund

A 2010 budget amendment led to the creation of a Line of Duty Fund on July 1, 2010 to be administered by the Virginia Department of Accounts (DOA), and whose funds will be invested by the Virginia Retirement System (VRS). The fund was capitalized with a loan from the Virginia Retirement System (VRS) Life Insurance Fund to pay benefits during the 2010-2011 fiscal year. VRS indicates that the loan will be paid back over five years out of the fund.

Unless there is further legislation, those local governments that opt out of the state fund will not be required to repay this loan. Contributions to the state fund are on a *pay-as-you-go* basis. Without further legislation, VRS reports that there is no authority to migrate to a prefunded contribution. According to VRS, the difference between pay-as-you-go and full prefunding must be recorded by the locality as a liability per GASB. We suggest you discuss this with your auditors. **Localities may opt out of the state fund until June 30, 2012. If a locality opts out the decision is irrevocable.** If a locality does not opt out by the deadline their participation in the state fund is irrevocable.

Group Self Insurance through VMLIP

The Bureau of Insurance has determined that local governments have the authority to pool their LODA liabilities. VMLIP’s LODA proposal has the following terms and conditions:

Members must provide VML Insurance Programs (VMLIP) with a copy of any ordinance or resolution that indicates how volunteer fire and rescue companies located in your entity will be covered, either through your entity or another entity

If your quote includes premium for volunteer fire/rescue, you will need to provide a copy of the referenced ordinance/resolution(s) to bind coverage. We need to know who we are covering and make sure each member pays its fair share.

Statutory coverage

With statutory coverage, there is no fixed limit of liability. VMLIP will pay what the LODA statute requires as well as the administrative expenses that the Virginia Department of Accounts will be invoicing for their work.

Claims made policy form with July 1, 2006 retroactive date

With "claims made coverage," the claim is covered under the policy year in which it is reported rather than when it occurred. A claims made coverage form (versus an occurrence form) protects the pool and its members by adding a valuable degree of certainty as to the volume of claims assigned to any particular fund year. This is especially important as the state comptroller can waive the five year statute of limitations if he believes that the claimant did not know about the benefit.

No coverage for existing claims occurring prior to July 1, 2011

Only 25 of 180 VMLIP members with LODA exposure have ever had a claim through November 30, 2010 when the pool received a loss run from the state. Members with existing claims that occurred prior to July 1, 2011 should weigh any decision to opt out of the state fund very carefully. A locality that opts out of the state fund is responsible for benefit payments for existing claims beginning July 1, 2011.

If your entity opts out of the state fund to accept VMLIP's offering, your entity is individually self insured for future costs associated with known claims and/or claims that have been incurred but not reported to the state.

It makes no sense for the pool or member for the pool to take on these claims. Once a pool accepts a claim they must keep it to conclusion. VMLIP would essentially have to do a present value calculation and collect whatever the actuary thinks the claim is worth over its life up front. As such, VMLIP cannot provide coverage for these claims.

Prior Acts Coverage for unknown claims

Members should also be mindful of the potential for a claim occurring prior to July 1, 2011 for which the claimant or his/her dependents have yet to file for LODA benefits. There is a five year statute of limitations applicable; however, the State Comptroller has the authority to waive it if the claimant/dependents were unaware of the benefit.

When comparing the state's LODA loss experience to VMLIP's workers' compensation loss experience it is clear that there are a number of LODA eligible employees who were either

fatally injured or disabled that have not applied for LODA benefits. Our numerous conversations with members lead us to believe that while the Act has required localities to train their eligible personnel about LODA benefits since 2006, many have not done so, creating an awareness issue among eligible personnel.

In short, there are very likely incurred but not reported claims that may surface once local governments begin meeting their training obligations in earnest for which localities will be responsible. If your locality has not provided this training or cannot provide documentation that you have done so, you have an exposure going back further than the five year statute of limitations.

VMLIP includes a “prior acts” coverage provision to provide coverage for unknown claims that occurred on or after July 1, 2006 and which are reported to the locality after July 1, 2011.

If a locality knew about *or should have known about* a claim no prior acts coverage is afforded.

Example 1: Between July 1, 2006 and June 30, 2011 a firefighter had a workers’ compensation claim resulting in permanent disability known by the employer before July 1, 2011. The Line of Duty Act requires that within 10 business days of being notified by an employee, or an employee’s representative, that such employee is permanently and totally disabled due to a work-related injury suffered in the line of duty, the agency or department employing the disabled person shall provide him with information about the continued health insurance coverage provided under this act and the process for initiating a claim.

The employer shall assist in filing a claim, unless such assistance is waived by the employee or the employee’s representative. The locality failed to inform the claimant as required. In this example, the locality either knew *or should have known* that the claimant was eligible for LODA benefits and no prior acts coverage would apply.

Example 2: Between July 1, 2006 and June 30, 2011 a firefighter had a workers’ compensation claim that is ongoing and it is not clear whether or not the claimant will be able to return to his/her job. Subsequent to July 1, 2011, the employer is notified that the claimant is permanently disabled and cannot return to his/her former job. You inform the claimant about LODA benefits and they make a claim. In this example, prior acts coverage would apply.

Example 3: Between July 1, 2006 and June 30, 2011 a *volunteer* firefighter who was a member of a department or company for which your locality passed the required ordinance/resolution had a disabling injury. The locality failed to inform the claimant as required and a LODA claim is made after July 1, 2011. As the volunteer picture is murky at best and your locality reasonably could not have known that these volunteers were your LODA responsibility, prior acts coverage would apply.

The policy is subject to audit

VMLIP will audit the exposure data provided by each member and adjust the premium accordingly as we do with workers' compensation payroll. *This will work to many members advantage as we will rate on Full Time Equivalent (FTEs) and some members have part time personnel.* Because of our compressed timeframe, we did not ask members to differentiate between full time and part time so we do not have that information. *If a member would like to make that adjustment now, contact underwriting and we will adjust your exposure data accordingly.*

Members are required to report claims and provide claims information to VMLIP

The Line of Duty Act (§ 9.1-408) prohibits the state from releasing evidence and documents obtained or created during the LODA claims investigation. VMLIP members must report claims directly to VMLIP and provide sufficient information so we can establish an appropriate claim reserve. This information will also allow the actuary to better estimate ultimate costs for the pool as well as help us move to an experienced rated plan.

Membership requirements

Eligibility: VMLIP's underwriting guidelines require that members purchase property and liability coverages to be eligible for LODA coverage. LODA coverage is the most risky coverage to the pool because of: (1) the likelihood that a majority of claims may stay open for decades; and (2) there are too many uncertainties as to how this mandate will unfold for the pool to take on this exposure on either a monoline basis or in conjunction with only workers' compensation coverage – a coverage line where claims can also stay open for decades.

Enrollment process

Members must execute and return the attached Addendum to the Member Agreement – see Exhibit 1.

We have also attached a sample resolution you may use to opt out of the state fund – see Exhibit 2.

**AMENDMENT TO
MEMBER AGREEMENT**

THIS AMENDMENT TO MEMBER AGREEMENT (this "Amendment") is made and entered into this 1st day of July, 2011 (the "Effective Date") by and among VML Insurance Programs (the "Pool"), a group self-insurance pool licensed by the Bureau of Insurance (the "Bureau"), the Virginia Municipal League ("VML"), a local association of city, town and county governments, and the undersigned Virginia political subdivision or agency thereof, which is a member (individually the "Member", and together with other political subdivisions, the "Members") of the Pool.

WHEREAS, the parties entered into a Member Agreement (the "Member Agreement") dated July 1, 2010, pursuant to which the parties agreed to provide for joint and cooperative action to form a group self-insurance pool pursuant to Chapter 27 of Title 15.2 of the Code of Virginia (the "Act") for the purpose of providing risk management services and insurance coverages for the Members pursuant to Virginia Code § 15.2-2703(A); and

WHEREAS, the Bureau has confirmed with VML and the Pool that the lines of insurance authorized under the Act will extend to the benefit obligations required by the by Virginia Code § 9.1-400 *et seq.* ("Line of Duty Act"); and

WHEREAS, the parties desire to become parties to this Amendment for purposes of including Line of Duty Act coverage, to comply with the conditions set forth herein, and to ratify and confirm all of the terms and provisions of the Member Agreement except as otherwise set forth in this Amendment.

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and obligations herein contained, the parties hereto covenant and agree as follows:

1. **Amend and Restate Section 15.** Section 15 of the Member Agreement is hereby amended and restated as follows:

Each Member agrees to execute necessary authorization forms permitting the Pool to obtain information and data required in determining the experience or other rating modification of such Member. Each Member agrees to pay contributions to the Pool as computed in accordance with a rating plan approved by the Board, as amended from time to time. Each Member agrees that the contributions shall be payable in full in advance of coverage unless the Board in its discretion determines otherwise. Such contributions are deemed earned by the Pool when received and are nonrefundable.

For all lines of coverage other than workers' compensation coverage and Line of Duty Act obligations, in the event of the Pool's deficit for any fiscal year, the Board may adopt, following approval by the

Commission, a plan it deems equitable for the elimination of such deficit. The plan may include, but is not limited to, the assessment of all Members in the proportion which the contribution of each Member bears to the total contributions of all Members in the year in which such deficit occurs; provided, however, in no event shall such assessment exceed two (2) times the Member's annual contribution.

Notwithstanding the foregoing paragraph, in the event of the Pool's deficit for any fiscal year with respect to Line of Duty Act obligations, the Board may adopt, following approval by the Commission, a plan it deems equitable for the elimination of such deficit. The plan may include, but is not limited to, the assessment of all Members that purchase Line of Duty Act coverage in the proportion which the contribution of each Member bears to the total contributions of all Members that purchase Line of Duty Act coverage in the year in which such deficit occurs.

For Members purchasing workers' compensation insurance, such Members shall be jointly and severally liable to other Members as to workers' compensation coverage, and membership in the Pool shall not relieve the Member's obligations imposed by Title 65.2 as an employer to its employees.

With respect to all lines of coverage, a Member is obligated to pay any assessment which applies to a Pool year in which it was a Member. The Pool has the authority to assess its Members according to line of coverage, and according to any particular fiscal year. If the Pool is required to obtain the assessment by suit or by other means in which the Pool incurs expenses to recover such reimbursement, the Member agrees to pay the Pool's reasonable attorneys' fees and all costs incurred in the suit.

2. **Amend and Restate Section 17.** Section 17 of the Member Agreement is hereby amended and restated as follows:

To the extent of a Member's limitation of liability set forth in this Member Agreement, and payment of the funds described in Sections 13(a) and (b), the Pool shall defend in the name of and on behalf of each Member any suits or other proceedings which may at any time be instituted against such Member on account of claims within the purview of this Agreement and any such coverage agreement in force at the time of the loss, even though such allegations or demands are wholly groundless, false, or fraudulent, and to pay all costs reasonably incurred in any legal proceeding defended by the Pool, including all interest accruing against an entry of judgment, and all expenses incurred for investigation, claimant's attorney fees awarded by the court and negotiated settlements. If a personal appearance by an

official or employee of a Member is necessary in any dispute, the expense of such appearance shall be paid by the Member. The Pool shall select, retain and supervise legal counsel on behalf of and at the expense of the Pool necessary for the prosecution or defense of any litigation. Each Member agrees to fully cooperate by supplying any information and assistance deemed by the Board, the service agent, or legal counsel, to be needed or helpful to defend such action. Upon notice in writing to the Board, the service agent and the Administrator, a Member may refuse to settle a claim involving its locality, but in such event the Member shall be obligated for any payment of sums above the proposed settlement amount if such payment, including attorneys' fees, is thereafter required.

3. **Miscellaneous.** Except as expressly provided herein, all other terms and conditions of the Member Agreement shall apply and remain in full force and effect. This Amendment may be executed in one or more counterparts, all of which together shall constitute one and the same Amendment. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regards to principles of conflicts of law. This Amendment may only be amended by a writing expressly amending the same and executed by the parties to be bound. All recitals are incorporated herein by reference. Unless otherwise specified herein, the terms used herein shall have the meanings as set forth in the Member Agreement. Any waiver by any party of any term hereof shall not constitute a waiver of such term or any other term in the future. If any term or provision hereof shall be deemed unenforceable by a court of competent jurisdiction as against public policy, that term or provision shall be deemed deleted and the remainder of this Amendment shall be enforced in accordance with its terms.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have caused this Amendment to be signed as follows: on behalf of the Pool by a duly authorized representative, on behalf of VML by a duly authorized representative, and on behalf of the Member by its chief executive officer or other officer designated by its governing body.

VML INSURANCE PROGRAMS

By _____

VIRGINIA MUNICIPAL LEAGUE

By _____

MEMBER LOCALITY

By _____

Title: _____

Name of Locality: _____

Sample Resolution to Opt Out of State Fund

RESOLUTION TO SELF FUND LINE OF DUTY ACT CLAIMS

WHEREAS, the Virginia General Assembly has created the Line of Duty Act Fund for the payment of liabilities prescribed by and administered under the Line of Duty Act, § 9.1-400 et seq. of the Code of Virginia; and

WHEREAS, the Virginia General Assembly has shifted the cost of paying past, present and future liabilities under the Line of Duty Act, from the State to local government entities through Item 258 of the 2010 Budget Bill; and

WHEREAS, (entity name) is automatically included in the Line of Duty Act Fund unless it opts out by June 30, 2012, and chooses to self fund its mandated obligations under the Line of Duty Act; and

WHEREAS, (entity name) desires to opt out of the Line of Duty Act Fund and self fund its liabilities;

NOW, THEREFORE, BE IT RESOLVED that the governing body of (entity name) hereby agrees to opt out of the Line of Duty Fund effective June 30, 2011 and self fund its liabilities under the Line of Duty Act effective July 1, 2011.

Adopted this _____ day of _____, 2011.

ATTEST: _____

Clerk or Secretary Chairman



TOWN OF CHINCOTEAGUE, INC.

PUBLIC WORKS DEPARTMENT

Mr. Thomas Rakowski
Construction Manager
Virginia Department of Transportation
P.O. Box 270
Accomac, VA 23301

May 17, 2011

Dear Mr. Rakowski,

The Town of Chincoteague hereby requests assumption of responsibility for landscape maintenance of VDOT's property located at the intersection of SR 175 and Main St. This request is predicated upon the continued availability of urban maintenance funding and VDOT's concurrence that expenditures of urban maintenance funds for this purpose is an allowable expense.

Your consideration of this matter is sincerely appreciated,

Harvey Spurlock
Public Works Director