

MINUTES
Regular Meeting
Commission on Local Government
10:00 a.m., May 10, 2016
The Virginia Housing Center
Henrico Room 3
4224 Cox Road
Glen Allen, Virginia

Members Present

Victoria L. Hull, Chair
Diane M. Linderman, Vice-Chair
Bruce C. Goodson
John T. Stirrup, Jr.
Kimble Reynolds, Jr.

Members Absent

Staff Present

J. David Conmy, Local Government Policy Administrator
Ali Akbor, Senior Public Finance Analyst
Kyle Flanders, Policy Analyst
Kristen Dahlman, Senior Policy Analyst

Call to Order

Commission Vice-Chair Diane M. Linderman called the meeting to order at 10:00 a.m. on May 10, 2016, in the Henrico Room 3 at the Virginia Housing Center in Glen Allen, Virginia.

I. Administration

Ms. Linderman took an opportunity to introduce Kimble Reynolds, the newly appointed Commissioner filling the seat previously occupied by Mr. John Kines. Mr. Reynolds introduced himself and thanked everyone for their warm welcomes.

At 10:05 a.m. Chair Vickie Hull arrived to the Commission on Local Government (CLG) meeting.

A. Approval of Minutes of the Regular Meeting on March 8, 2016

Mr. Goodson made a motion to approve the minutes. Such motion was seconded by Mr. Stirrup, and the Commission unanimously approved the minutes.

B. Public Comment Period

The Chair opened the floor to receive comments from the public. Jo Gehlbach from the Richmond Association of Realtors introduced herself to the Commission but did not provide any additional remarks.

C. Presentation of Financial Statement for March 2016

Referencing an internally produced financial statement that encompassed expenditures through the end of March 2016, representing 75% of the fiscal year; Mr. Conmy stated that fiscal year-to-date expenditures were 75% of the total allocated amount. This represented 47% and 83% of the allocated personnel and non-personnel amounts, respectively.

D. Policy Administrator's Report

Mr. Conmy gave a brief update on personnel matters impacting the staffing of the Commission. First, he introduced Kristen Dahlman as the new Senior Policy Analyst who started on May 10, 2016, and Lindsay Barker as the new Program Support Specialist position who has a start date of May 23, 2016.

Mr. Conmy provided a summary of recent and upcoming staff activities. Mr. Conmy mentioned that he and one other DHCD staff member - along with members from the cities of Danville and Richmond - attended the Community Progress Leadership Institute in Cambridge, Massachusetts, at Harvard University on March 15th through the 18th. Mr. Conmy also mentioned that he and Elizabeth Rafferty, Policy and Legislative Director for DHCD, gave a General Assembly update to DHCD staff. Mr. Conmy attended the Local Government Attorneys conference in Virginia Beach April 14th through 15th. Mr. Conmy also mentioned that CLG staff participated in an agency wide community service opportunity during Affordable Housing Awareness week in April and staff participated in CDBG grant application reviews with Community Development staff.

Mr. Conmy then reviewed several news articles of interest with the Commission, including:

- Loudoun County's budget deliberations
- Prince William County's budget deliberations and fiscal troubles
- The recall petition effort on Petersburg's mayor
- Bedford rail stop along the Lynchburg Roanoke line expected to open in 2017
- The issue of retired or former employees continuing to receive insurance benefits from City of Portsmouth
- Conviction of former BVU CFO and on BVU attorney pleading guilty to commit program fraud
- An editorial on the merits of ongoing regional or intergovernmental arrangements between Albemarle County and Charlottesville
- New cash proffer law in Charlottesville
- A local effort to remove Montgomery County's circuit court clerk from office
- Drone legislation in the General Assembly
- A more dynamic USGS study on sea level rise
- A State Police Investigation of Richmond's Mayor and Director of Public Works related to connections to the Mayor's church
- Buena Vista is having bond payments made by an insurance company for the municipal golf course
- Merger of Staunton's city and school HR departments
- Party ID bill for local elections
- Article on denial of pump and haul permit for Culpeper Islamic Center and potential connection to Religious Land Use and Institutionalized Persons Act
- Other articles of interest

E. Senior Public Finance Analyst's Report

Mr. Conmy announced the addition of the Senior Public Finance Analyst's series of Economic Reports to Commission meetings. He indicated that this was something staff had discussed with the Commission during their March meeting and that the following presentation on

employment was just one example of other future presentations staff could provide during CLG meetings.

Mr. Akbor presented the current Employment Conditions in Virginia as the first subject matter in the series. Mr. Akbor provided a variety of other statistics on employment in the United States, Virginia, and Virginia's metropolitan and micropolitan statistical areas. Mr. Akbor also fielded several questions from the Commissioners.

Mr. Conmy opened the floor for discussion on the report and asked if the Commissioners had input on any other reports that Mr. Akbor could present to the Commission at future meetings. The Commission had no further comment at the time.

II. 2016 General Assembly-Reconvened Session

A. Preliminary Staff Comment

Mr. Conmy presented updates from the reconvened General Assembly Session. The Governor's action is still pending on COIA and FOIA. Vetoes were upheld for: the party ID bill for local candidates, Virtual Virginia (online school with a board), prohibition of local minimum wage for contractors, school voucher for disabled students, sexually explicit materials notification for public schools, school transfer option for schools identified for comprehensive support and improvement, prohibition of localities' ability to remove monuments, allowing certain school security officers to carry firearms, and prohibition on localities' ability to raise minimum wage.

The amendments outcome from the reconvened session include scaling back JLARC review of economic development projects, keeping restrictions on leveraged use of Broadband funding, removing funding from Virtual Virginia, removing an amendment on the budget for local fees and fines (see Task Force for Local Mandate Review 2016 Interim Report to the Governor), and adding more board appointments by the Governor for the newly formed GO Virginia program.

There was discussion about the Local Consolidation Incentives Report and whether there had been any additional activity or requests for more information from members of the General

Assembly. Mr. Conmy commented that the Senate Finance Committee staff requested spreadsheets from CLG staff, but they have not heard anything else. Ms. Hull suggested that CLG staff should follow up with staff from the Senate Finance Committee and report back any additional information to the Commission.

III. 2016 Survey of Cash Proffers-Survey Instrument

A. Preliminary Staff Comment

Mr. Conmy reminded the Commission of the state code that provides the statutes for eligibility for localities to collect cash proffers. Per § 15.2-2303.2, localities eligible to collect cash proffers that have a population in excess of 3,500 are required to report information on their cash proffer collections and expenditures to the CLG. Mr. Conmy mentioned that the survey instrument used can be submitted electronically or via hard copy. The survey questions are based on the language that is written in the state code.

B. Commission Deliberation and Action

The Commission asked about the response rate of eligible localities involved in the survey and report. Mr. Conmy reported that there is a 100% response rate from localities and that staff has achieved that rate since the report's inception. Ms. Hull moved to approve the Cash Proffer survey instruments. The motion was seconded and unanimously approved by the Commission.

IV. Proposed Fiscal Health Report

Mr. Akbor presented a proposal about creating an accompanying report to the Fiscal Stress Report per the request of the Chair from the March 10 meeting. Mr. Akbor suggested adding other variables to the existing Fiscal Stress Report to showcase fiscal stress in localities. Such variables could include liabilities and fund balances. Mr. Conmy reiterated that the current report focuses on revenue and does not tell a complete picture, especially as it relates to local expenditures. Mr. Akbor explained that CLG staff is not proposing to add the variables into the Fiscal Stress Report yet but is instead requesting permission to conduct the work. Staff will

prepare a couple of examples of how the new variables will fit into the report and will let the Commission deliberate on the usefulness of including the additional variables.

Ms. Hull asked what additional findings are anticipated from the new and updated report. Mr. Akbor and Mr. Conmy commented that it would not necessarily affect the results but rather elaborate more on the fiscal stress of localities. Mr. Stirrup and Mr. Reynolds discussed that adding more variables would be helpful to the narrative of fiscal stress, even if the outcome or data is not positive or desirable. Mr. Reynolds thought it would be helpful to city council members, being a former member, himself. Mr. Reynolds also thought it would be a good objective way to show different kinds of fiscal stress.

Ms. Linderman and Ms. Hull expressed concerns on what effect adding more variables would have on the report's findings. Mr. Akbor said the information was already out in the public; staff just thought it could be useful to analyze and present the information in a meaningful way.

The Commission agreed with Mr. Akbor's proposal to conduct a test run on including new variables in the fiscal stress report. Ms. Hull moved to approve the test run initiative. The motion was seconded by Mr. Stirrup and unanimously approved.

V. Annexation Study

Mr. Conmy presented the preliminary Annexation Study Plan, which is due December 1, 2018. As the Governor's term ends January 13, 2018, Mr. Conmy suggested that the Commission approve and complete the study by December 1, 2017, to give the current Governor's administration a chance to review the report.

Mr. Conmy mentioned selecting a location outside of the Richmond region for some of the public hearing process to be more accessible to other regions of the state on this subject matter. Mr. Conmy went over potential stakeholders; VACO and VML are required by the law to be included in the study process. Other potential stakeholders involved include a Virginia First cities representative, Virginia Association of School Superintendents, School Board

representatives, Virginia Association of Planning District Commission, Department of Education representative, Department of Legislative Services, a representative from the Local Government Attorneys Association and representatives from affected localities to provide key input.

A question was asked about authority for putting together a commission or group of stakeholders. Mr. Goodson suggested that CLG staff clarify who has authority to put together group for this particular study. He suggested that since it is a Commission report, the Commissioners should be able to suggest and approve who provides information and input to the report.

There was additional discussion among the Commission members and staff on the potential stakeholders, including two pairs of cities and counties directly affected by the moratorium.

Ms. Hull moved to approve the proposal for the Annexation study. The motion was seconded by Mr. Goodson and unanimously approved.

VI. Local Salaries Study

Mr. Conmy discussed a new initiative by CLG staff that was requested by Delegate Charles Poindexter to DHCD Director Bill Shelton. The request is in response to proposed legislation from 2016 General Assembly Session, HB460, that would have amended § 15.2-1414.6 of the Code of Virginia, which governs salaries for city council members and mayors or presidents of council based on population brackets, by raising salaries by \$10,000 for the highest two brackets. Delegate Poindexter is requesting more information on the potential of increasing salaries by November 1, 2016.

CLG staff plan to get specific parameters for the study and present a proposal to the Commission by the July 12, 2016, meeting.

Ms. Hull suggested doing a conference call with Delegate Poindexter to discuss the parameters of the study. There are concerns with one of the points of the study which has potential for the

Commission to pass judgment on the subject matter and become biased. She directed CLG staff to coordinate a conference call with her, Delegate Poindexter, and CLG staff to achieve greater clarity on the study.

VII. Governor' Task Force for Local Government Mandate Review

Mr. Conmy gave an update from the Last Governor's Task Force for Local Government Mandate Review meeting held on March 24, 2016. The Task Force sent an interim report to the Governor which had recommendations for the Governor on a variety of issues to address prior to the Reconvened Session. These include encouraging the Governor to sign the following bills: LODA, Stormwater Utility Bill, Airbnb, and the COIA and FOIA bill. They also recommended for the Governor to eliminate local fines and forfeitures, support first day introduction legislation, consider refinement to and technical support of proffer law, and include more state funding as a result of potential losses in local funding previously generated from cash proffer collections.

The next meeting will be held sometime in September to coincide with review of pre-filed legislation and agency budget requests. The Task Force also plans to meet with the Governor in the near future.

VIII. Other

Ms. Hull asked if there was any other business for the Commission to discuss. No one brought up any additional business items.

IX. Schedule of Regular Meetings

Ms. Hull noted that the next meeting of the Commission would be held on July 12, 2016, at the Virginia Housing Center in Henrico Room 3.

X. Upcoming Events of Interest

Ms. Hull reviewed upcoming dates and events of interest for the Commission, including VML's 111th Annual Conference in Virginia Beach and VACo's 82nd Annual Conference in Bath County.

Mr. Conmy also mentioned that the Department of Housing and Community Development's annual Governors Housing Conference will be held in Roanoke on November 16th through the 18th.

XI. Adjournment

By consensus of the Commission, Ms. Hull called the meeting adjourned at 12:25 p.m.

Victoria L. Hull
Chair

J. David Conmy
Local Government Policy Administrator

DRAFT