

MINUTES
Regular Meeting
Commission on Local Government
10:00 a.m., July 12, 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
Kimble Reynolds, Jr.
John T. Stirrup, Jr.

Members Absent

Staff Present

Elizabeth Rafferty, Policy and Legislative Director
J. David Conmy, Local Government Policy Administrator
Ali Akbor, Senior Public Finance Analyst
Kristen Dahlman, Senior Policy Analyst
Kyle Flanders, Policy Analyst
Lindsay Barker, Program Support Specialist

Call to Order

Commission Chair Victoria L. Hull called the meeting to order at 10:01 on July 12, 2016, in the Henrico Room 3 at the Virginia Housing Center in Glen Allen, Virginia.

I. Public Hearing: Commission on Local Government Annexation Study

Victoria L. Hull introduced herself and Diane M. Linderman as the co-chairs of the Annexation Study. Per Chapters 158 and 364 of the 2016 Acts of Assembly, the existing annexation moratorium for city-initiated annexation and county declarations of immunity from annexation was extended until 2024. The Commission on Local Government was directed to work on a study that addresses (1) evaluating the structure of cities and counties in the Commonwealth, (2) evaluating the impact of annexation upon localities, (3) considering alternatives to the current moratorium on annexation by cities, (4) and consult with and seek input from the Virginia Municipal League (VML), Virginia Association of Counties (VACo), and localities directly affected by moratorium. The study must be submitted to the General Assembly by December 31, 2018.

A public hearing notice for initial public comment on the study was advertised as a legal notice in the Free Lance-Star, Richmond Times Dispatch, and the Virginia Pilot on June 28, 2016. Additional physical notices of the public hearing were posted in multiple publicly-accessible locations. An annexation study webpage was also created and is accessible on DHCD's website. The website contains information about the study including information about today's public hearing and contact information. A press release was also distributed to various news media outlets regarding the study.

The Chair opened the floor to receive initial comments from the public on the Annexation Study. No person appeared to testify before the Commission during the initial comments public hearing. No public comments were submitted ahead of time for the Commission's review. A motion was made by Mr. Goodson and seconded by Ms. Linderman to close the public comment period, the Commission unanimously approved.

II. Presentation of Commending Resolutions

Commending resolutions were presented by Victoria L. Hull from the Commission on Local Government to former staff members Barbara Johnson, Ed Lanza, and Zack Robbins for their hard work and dedication to the Commission. Each attended and received framed copies of the resolution.

III. Administration

A. Approval of Minutes of the Regular Meeting on May 10, 2016

Mr. Reynolds 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; however, no one from the public was in attendance of this meeting.

C. Presentation of Financial Statement for June 2016

Mr. Conmy explained how the agency transitioned to a new accounting system this year which is why the packet included two reports. The office utilized 71.5% of the allotted budget for personnel expenses and used 101.2% of the allotted non-personnel expenses, but still only used 73.7% of the total amount budgeted.

Mr. Goodson questioned the purpose of the new system and Ms. Dahlman explained the new cardinal system would be more centralized, with all vendors registering with the Department of Accounts.

D. Policy Administrator's report

Mr. Conmy took a moment to introduce the newest staff member, Lindsay Barker, to the members of the Commission. Mr. Conmy explained Ms. Barker's new role as records retention officer for the agency and her proactive efforts to better manage the records for the Agency and Commission. Mr. Conmy and Ms. Dahlman attended Virginia Tech's LUEP Legal Seminar where Mr. Conmy made a presentation on cash proffers. Several staff members will be attending the Virginia Association of Planning District Commissions (VAPDC) Summer Conference held in Williamsburg with a focus on GO Virginia. Elizabeth Rafferty will be participating as a panel member.

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

- Impact on local registrar offices from the executive order restoring felons rights
- The revenue sharing agreement between Charlottesville and Albemarle, which was put in to place prior to the annexation moratorium
- Staunton and Augusta courthouse dispute for the location to be put on the November ballot
- Smithfield's annexation deliberations
- Boundary line adjustment between the Town of Elkton and Rockingham County
- Boundary line adjustment between Town of Front Royal and Warren County
- Potential dissolution of the Town Charter of Alberta

- Regional transportation with an emphasis in Chesterfield County who owns 50% of Greater Richmond Transit Company (GRTC) but is reducing routes to the county.
- Richmond reaching its self-imposed debt limit and the consequences of changing their self-imposed debt limit
- Spotsylvania and Stafford Counties consider eliminating their cash proffer policies
- Lawsuit by insurance company that has been making payments on Buena Vista's defaulted loan since 2014
- Legacy of T. Marshall Hahn
- Discussions of a regional library system for the city of Lynchburg and Campbell County
- Potential reversion of the city of Petersburg to town status

E. Senior Public Finance Analyst's Economic Report

Mr. Akbor gave a presentation on current housing statistics and market conditions in Virginia. As of April 2016, the annual rate of new homes sold was 619,000 and the annual rate of existing homes sold was 5,450,000. There are approximately 243,000 new homes for sale with a home inventory of about a 4.7 months' supply. The Roanoke metropolitan statistical area (MSA) was the most affordable area to live, while the Washington MSA was the most expensive. All Virginia MSA's were more affordable than the national average. As of May 2016, sales increased by 10.9%. Several additional charts were presented to the Commission to provide a full picture of market conditions in Virginia.

IV. Conflicts of Interest Act Training Requirement (COIA)

All members agreed to watch the video online, from start to finish, satisfying the requirement of the training.

Mr. Conmy also reminded commissioners they are considered "officers" as defined under Executive Order 2. Mr. Conmy offered to reach out to the Ethics Advisory Council on the commissioners' behalf or have a COIA council member or a representative from the Attorney General's office attend the next meeting to give a presentation to clarify any questions on COIA and ethics.

V. Annual Report on Municipal Boundary Line Changes

A. Preliminary Staff Comment

Ms. Dahlman presented boundary line changes for 5 localities in Virginia. These localities included:

- The town of Timberville in Rockingham County which gained 9.822 acres
- The town of Marion in Smyth County gained 409.96 acres and will later gain an additional 100.49 acres from a voluntary settlement agreement; thirty people were involved in the annexation
- The town of Herndon in Loudoun County gained 2.43 acres
- Montgomery County gained 12.117 acres from the town of Christiansburg
- The town of Mount Jackson in Shenandoah County gained 512 acres; 4 people were involved in the annexation

B. Commission Deliberation and Action

Mr. Goodson moved to approve the annual report on municipal boundary line changes. The motion was seconded and unanimously approved by the Commission.

VI. Proposed Fiscal Health Report

Based on the approval of the commission from the last meeting, Mr. Akbor proceeded with a test run on some variables to add to the fiscal health report. These were then presented to the Director of DHCD, Bill Shelton, Policy and Legislative Director, Elizabeth Rafferty, and Local Government Policy Administrator, David Conmy. Mr. Shelton recommended implementing the test run on twenty localities and to form a focus group, which would consist of finance experts from Department of Accounts, VML, VACo, and some local governments, to prepare a draft report for the Commission that would indicate additional variables that may be useful to localities.

Mr. Stirrup asked would the 20 locality test run include counties, cities, and towns, and did the staff have any specific localities in mind. Mrs. Rafferty stated that while no localities had been chosen, a regional approach would be taken to ensure the diversity of the Commonwealth was represented.

VII. Annexation Study

The first stakeholder meeting was held in Charlottesville on July 28, 2016. Ms. Hull and Ms. Linderman will be serving as co-chairs of the study. There are 16 confirmed stakeholders and 2 unconfirmed stakeholders. The meeting was a success and there was a consensus to not revisit the issue of annexation itself but rather focus on alternatives of financial incentives. Some stakeholders expressed interest in discussing population thresholds, specifically, reversion to town status.

A second stakeholder meeting will be held August 2, 2016, at the Virginia Housing Center. The commission discussed where the location of the second public hearing and regular scheduled meeting should take place. Staff advocated for the western part of the state since many areas in that region are affected by annexation, suggesting Lynchburg, Roanoke, Waynesboro, Staunton, Harrisonburg, Charlottesville, and Lexington. The commission members thought a location on the I-81 corridor would be best, favoring Waynesboro, Staunton, and Lexington.

Ms. Linderman commented on the meeting and thought everyone contributed and seemed willing to work as a stakeholder. She felt that some thought the agenda was aggressive, but an aggressive agenda can give breathing room later on in the project. Ms. Hull requested that the staff and co-chairs set up a conference call with Delegate Wilt and Senator Hanger to discuss the direction of the study.

VIII. Local Salaries Study

Mr. Akbor and Ms. Dahlman presented an update about the Salary Study and informed the commissioners that a conference call was held with Delegate Poindexter, CLG Chair Vickie Hull and staff; to provide a true understanding and direction of the study to share with localities involved. A request for the information needed to complete the study was mailed and emailed to the 11 affected localities. Responses are due July 30, 2016; staff will work to ensure a 100% response rate.

IX. Building, Fire Prevention, Amusement Device, and Industrialized Building Code Updates

Mr. Flanders noted that Virginia is currently updating the Building, Fire, Amusement Device, and Industrialized Building Codes to conform to relevant national model codes. A public hearing on proposed changes is scheduled at noon for Monday, July 18, 2016, at the Virginia Housing Center, following the Board of Housing and Community Development meeting. Public input will be possible throughout the code change process with proposed regulations expected near the end of 2016 and final regulations expected in early 2018. A tentative effective date for the updated codes is Spring 2018.

X. Governor's Task Force for Local Government Mandate Review

The staff will schedule the next Task Force meeting with plans to invite the Department of Education and Department of Transportation to present on local mandates relevant to their agencies. Staff will also begin to review pre-filed bills for the upcoming General Assembly session, as well as agency budget requests, so the Task Force can be prepared to make recommendations.

XI. Other

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

XII. Schedule of Regular Meetings

Ms. Hull noted that the next meeting of the Commission would be held on September 13, 2016, with the location to be determined since it will be in the western part of the state to accommodate the second public hearing for initial comments on the Annexation Study. The Commission decided to hold the November meeting on Monday the 14th, 2016, since many of the staff will be participating in the Governor's Housing Conference located in Roanoke, Virginia later that week.

XIII. 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.

XIV. Adjournment

By consensus of the Commission, Ms. Hull called the meeting adjourned at 12:17 p.m.

Victoria L. Hull

Chair

J. David Conmy

Local Government Policy Administrator