

MINUTES
Regular Meeting
Commission on Local Government
2:00 p.m., September 4, 2018
Staunton, Virginia

Members Present

Kimble Reynolds, Jr., Chair
R. Michael Amyx, Vice-Chair
Victoria L. Hull
Diane M. Linderman

Members Absent

Staff Present

J. David Conmy, Local Government Policy Administrator
Ali Akbor, Senior Public Finance Analyst
Kristen Dahlman, Senior Policy Analyst
Lindsay Barker, Program Support Specialist

Call to Order

The Commission on Local Government (CLG) Chair, Mr. Kimble Reynolds, called the meeting to order at 2:08 p.m.

I. Public Hearing

Mr. Reynolds called to open the floor of the public hearing on the Commission's Annexation Alternatives Study. He first introduced himself as the Vice Chair to the study and Ms. Diane Linderman as Chair of the study. The Commission was tasked with conducting a study to look at the existing moratorium for city-initiated annexation, county declarations of immunity from annexation, and the establishment of new independent cities, which was extended until 2024 by the General Assembly in 2016. Mr. Reynolds stated that the public hearing notice was advertised in the News Leader on August 21, 2018, posted physically in multiple publicly accessible locations, through newsletters by the Virginia Municipal League (VML) and the Virginia Association of Counties (VACo), and on the agency's designated webpage for the study. Mr. Reynolds added that the purpose of the public hearing was to solicit feedback and public comment on the draft annexation alternatives report, which was also available on the agency's website.

Mr. Eric Monday, City Attorney for the City of Martinsville, stated that in addition to the written comments submitted by the city, the city asked that the Commission convey a sense of urgency with the report and ask the General Assembly to act on the recommendations outlined in the report. He alluded to the length of time that has occurred, how many issues and conditions have changed, but how very few changes have been made to local structural and transitional statutes. He added that Virginia's unique system of independent counties and cities is outdated. He stated it is easier to extend the moratorium than have an in-depth look at local government

Minutes

Regular Meeting

2:00 p.m., September 4, 2018

Page 2

structure. He added that the report did not address constitutional officers in regards to reversion or consolidation.

Mr. David Blount, Executive Director of the Virginia Association of Planning District Commission's (VAPDC), stated that he served and represented planning districts in the stakeholder meetings. Mr. Blount appreciated the report's focus on regionalism and the delivery of services but wanted to endorse increased funding for the PDC's, a 25% reduction in FY2008 that was never restored.

Mr. Stephen Owen introduced The Honorable Caroline Dull, Mayor of the City of Staunton. Ms. Dull provided a history of the city and cited being one of the last annexations prior to the current moratorium. She expressed the City's concerns about burdensome, unfunded and underfunded mandates coming from the state in addition to unfulfilled efforts to address these and other issues. She added that erosion of local government tax revenue must stop. She stated that incentivizing reversion and consolidation and removing obstacles are a positive step but other solutions exist. She expressed support for equal taxing powers. Finally she offered alternatives for how fiscal stress could be measured, especially as it relates to state owned, tax-exempt buildings.

Mr. George Lyle, County Attorney for Henry County, stated that the report should focus on what can be done to make reversion more tolerable for the counties by incentivizing the process such as a state funded stream for one-time expenses associated with reversion. He alluded to the overall benefits of some of these transitions and how various incentives can assist cities and counties, alike, in the matter.

No other comments were received, and Mr. Reynolds indicated that the public hearing and public comment period for the study was then closed.

II. Administration

A. Approval of Minutes of the Regular Meeting on July 10, 2018

A motion was made to approve the minutes, as written; the motion was seconded and approved.

B. Public Comment Period

Mr. Reynolds opened the floor to receive comments from the public. No one from the public appeared before the Commission; the public comment period was then closed.

C. Policy Administrator's report

Mr. David Conmy shared his Policy Administrator's report with the Commission. He stated there was still no update from the Secretary of the Commonwealth in regards to a CLG appointment. The Commission asked staff to coordinate with DHCD on how to express the importance of an appointment to the CLG. Mr. Conmy then discussed potential cases with the commission: a citizen led annexation case in the Town of Culpeper and a boundary line adjustment or voluntary settlement agreement in the Town of Dublin. Ms. Kristen Dahlman provided an update to the Southwest Virginia Revenue sharing agreement regarding the hydroelectric pump station. At this time a formal review cannot proceed until a draft version of the revenue sharing agreement is shared with the Commission. Mr. Conmy then reviewed several news articles of interest with the Commission.

Minutes

Regular Meeting

2:00 p.m., September 4, 2018

Page 3

D. Senior Public Finance Analyst's Economic Report

Mr. Akbor gave a presentation on the current trade war and its impacts on the U.S. and the Virginia economy. This included an overview of what a trade war is to include U.S. imports, exports, and trade surplus and deficit. Mr. Akbor also mentioned that USA is experiencing highest trade deficit with China and the growth of the deficit with China since 2000 is 348.0%. So, additional tariffs resulting from the trade war would likely have a significant impact on Virginia's economy. Specifically, Virginia's export to China is growing at a faster pace than the growth of the worldwide export. Since 2002, Virginia's worldwide export growth is 205%, whereas the growth of export to China is 366%. There are 131,321 jobs linked to Virginia exports. So based on Virginia exports to China, the number of Jobs that would have a direct impact due to the trade war would be 13,132. The loss of jobs would have impact on Virginia's local economy, which would then further deteriorate local fiscal conditions i.e. fiscal stress of Virginia local governments.

III. Draft Report on Annexation Alternatives Study

Mr. Conmy shared a table (See attachment A) with the Commission that included all comments that were received prior to the mailing of the packet and stated that most of the comments that were before the Commission were from the stakeholder meeting held in June with some additions external to the stakeholder group. Six comments were received after the mailing of the packet. After discussion of the comments, a motion was made to have staff make the appropriate revisions to include consensus comments as discussed during the meeting and present a final draft of the study at the November meeting for approval.

IV. 2018 Catalog of State and Federal Mandates on Local Government

Ms. Dahlman presented updates to the 2018 edition of the Catalog of State and Federal Mandates to include a summary of new, newly identified, eliminated, and other mandates removed from the catalog. Ms. Dahlman stated that all state agencies responded to updates with their catalog entries except for the Virginia Department of Education (DOE). Staff has been working with DOE to have them review and consent to the changes proposed. It is staff's recommendation that the Commission conditionally approve the catalog based on the edits made to DOE's section of the catalog. A motion was made and properly seconded; the motion passed.

V. Other

Mr. Reynolds asked if there was any other business for the Commission to discuss. There appeared to be no additional items for consideration.

VI. Schedule of Regular Meetings

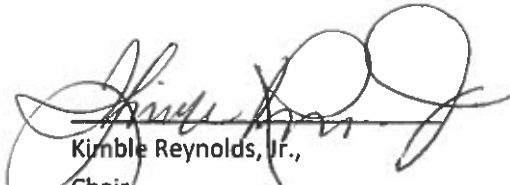
Mr. Reynolds noted that the next meeting of the Commission would be held Thursday, November 8th at 10:00 a.m. at the Virginia Housing Center Board Room.

VII. Upcoming Events of Interest

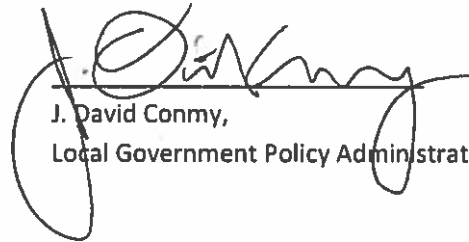
Mr. Reynolds reviewed upcoming dates and events of interest for the Commission.

VIII. Adjournment

By consensus of the Commission, Mr. Reynolds called the meeting adjourned at 5:23 p.m.



Kimble Reynolds, Jr.,
Chair



J. David Conmy,
Local Government Policy Administrator