

DRAFT MINUTES
Regular Meeting
Commission on Local Government
10:00 a.m., September 8, 2014
The Virginia Housing Center
Henrico Room 3
4224 Cox Road
Glen Allen, Virginia

Members Present

John T. Stirrup, Jr., Chairman
Bruce C. Goodson, Vice-Chairman
John G. Kines, Jr.
Victoria L. Hull

Members Absent

Cole Hendrix

Staff Present

Zack Robbins, Local Government Policy Manager
Ed Lanza, Senior Public Finance Analyst
J. David Conmy, Senior Policy Analyst

Call to Order

Commission Chairman John Stirrup called the meeting to order at 10:08 a.m. on September 8, 2014 in Henrico Room 3 at the Virginia Housing Center in Glen Allen, Virginia. Mr. Cole Hendrix was unable to attend.

I. Administration

- a. Approval of Minutes of the Oral Presentations on July 14, 2014; of the Public Hearing on July 14, 2014; and the Regular Meeting on July 15, 2014**

Ms. Hull noted a correction was needed on page 3: the last sentence under section II - "the true boundary Town's western boundary" - should be replaced with "the true western boundary of the town." Ms. Hull made a motion to approve the minutes, as presented and amended. Such motion was seconded by Mr. Goodson, and the Commission unanimously approved the minutes.

b. Public Comment Period

The Chairman opened the floor to receive comments from the public. No person appeared to testify before the Commission during the public comment period.

Mr. Erik Johnson from the Virginia Association of Counties came before the Commission to invite the members to the upcoming VACo Conference, which will be held November 9-11, 2014 at The Homestead.

c. Presentation of Financial Statement

Referencing an internally produced financial statement that encompassed expenditures through the end of August 2014, Mr. Robbins stated that fiscal year-to-date expenditures were 20% of the total allocated amount. He noted that this amount was slightly higher than it should be – as only two months of the fiscal year (16.6%) is included, but added that the figure includes one-time advertising expenses in Northern Virginia newspapers, and an extra payroll cycle.

d. Policy Manager's Report

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

- Front Royal and Warren County have filed their petition to enter into a voluntary settlement agreement with the circuit court, and are awaiting the appointment of their special court to review the matter.
- Chesterfield County is being sued in federal court over the constitutionality of its cash proffer policy.
- The Town of Columbia will conduct a special election to consider a referendum on annulling its town charter.
- The City of Bristol has voted to amend its budget and increase its tax rate by \$0.06 this year to decrease its reliance on short-term borrowing.
- The General Assembly, through budget amendments, has stripped the City of Portsmouth's taxing authority on the privately-owned Jordan Bridge. This amounts to a \$500,000 loss to the City.

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- Montgomery County was required to open a polling location for the special election in the 38th District State Senate race. The County only has three registered voters who reside in that district – all within a “donut hole” of county land surrounded by the City of Radford. This situation was created as a result of a 1986 voluntary settlement agreement.

Next, Mr. Robbins reviewed recent staff activities. He noted that he attended the Virginia Association of PDCs conference in Williamsburg, and that he and Barbara Johnson have been recently processing PDC contracts and payments for the new fiscal year.

He also stated that Commission staff has been assisting JLARC staff with its study on local government and school division consolidation, primarily by providing technical assistance and background on consolidation proposals and reviewing the draft report. He stated that the report was being presented at this morning’s JLARC meeting, and that he would email a copy to the Commission when it is released.

Next, Mr. Robbins stated that he received an inquiry about the Commission’s review process for revenue sharing agreements pursuant to *Va. Code* §15.2-1301. He noted that the statute does not require the Commission to conduct a public hearing, and lacks several other requirements that are prescribed for other Commission reviews. Despite this, when it reviewed its first and only revenue sharing agreement in 2009 – between Christiansburg and Montgomery County – the Commission chose to conduct a public hearing and to tour the affected area, just as it does with its other reviews. Mr. Robbins noted that the caller was interested in this process because of the possibility of a shortened review schedule, and asked the Commission how they would be inclined to handle such a proposal.

After discussion, the Commission determined, by consensus, that in most instances, it would prefer to conduct a public hearing and to visit these communities, although there may be a rare exception for very minor revenue sharing issues.

Next, Mr. Robbins stated that he was only aware of two potential annexation issues: The Town of Middletown and Frederick County; and a second issue in the Town of Front Royal and Warren County, unrelated to its 2013 matter.

II. Report on the Town of Marion-Smyth County Voluntary Settlement Agreement

Mr. Robbins, Mr. Lanza, and Mr. Conmy proceeded to review each section of the report in detail. Mr. Lanza noted two proofreading edits that were needed to the report: On page 15, in the last paragraph, "ration" should be changed to "ratio," and on page 16, in the third sentence under "Capital Structure," the word "decreased" should be changed to "increased."

Following staff's presentation, Mr. Bill Rush, Marion Town Manager, stated that he had no issues with the report as presented.

Mr. Goodson made a motion to approve the report, as amended. Such motion was seconded by Mr. Kines, and the Commission unanimously approved the report.

III. Town of Herndon – Loudoun County Voluntary Settlement Agreement

Mr. Lanza and Mr. Robbins proceeded to review each section of the report in detail.

Following staff's presentation, Mr. Carter Glass, Special Counsel for the Town of Herndon, concurred with the report as written by staff.

Ms. Hull made a motion to approve the report, as amended. Such motion was seconded by Mr. Kines, and the Commission unanimously approved the report.

IV. 2014 Catalog of State and Federal Mandates on Local Government

Mr. Conmy explained that every year the Commission is statutorily required to publish the Catalog of State and Federal Mandates on Local Governments. He then presented a summary of some of the key additions and changes to this year's catalog, which are summarized in the Commission's agenda package. He stated that this year's catalog included 19 new mandates, for a total of 668 mandates in the 2014 edition.

Mr. Conmy also noted that in Appendix C, SPSHS.VDEM015 should be noted only under "Newly Identified Mandates," and stricken from "New Mandates;" and that SHHR.DSS077 and SFIN.TAX021 should be noted only under "New Mandates" and stricken from "Newly Identified Mandates."

Mr. Goodson made a motion to approve the 2014 Catalog, as amended. Such motion was seconded by Ms. Hull and the Commission unanimously approved the Catalog.

V. 2014 Cash Proffer Survey and Report

Mr. Conmy indicated that the survey instruments were mailed out to all localities that are eligible to collect cash proffers in July, and 67% of the responses have been received. In order to reach a 100% response rate, staff will be contacting the non-responsive localities after the due date, which is September 30th.

VI. Fiscal Impact Process Improvements

Mr. Lanza reminded the Commission that the General Assembly allocated \$35,000 for the development of an online system to collect data from local governments as part of the fiscal impact process. He added that the web portal has been created by DHCD's IT staff, and has been tested by Commission staff, but needs further testing from additional users. Mr. Lanza stated that the next steps were to begin recruiting professional organizations and local government volunteers to provide input for the 2015 legislative session.

VII. Task Force for Local Mandate Review

Mr. Robbins announced that Governor McAuliffe appointed five new members to the Task Force for Local Mandate Review. They are: The Hon. Mimi Elrod, PhD, Mayor, City of Lexington; Gary Larrowe, County Administrator, Carroll County; Marcus Newsome, EdD, Superintendent, Chesterfield County Public Schools; Wyatt Shields, City Manager, City of Falls Church; and the Hon. George Wallace, Mayor, City of Hampton. He added that he has had the chance to briefly speak to all of the members, and that the first meeting will most likely be held on October 23rd in the Richmond area.

VIII. Conflict of Interest Act Training

Mr. Robbins advised the members that Conflict of Interest Act training is required to be completed every two years, and he is in the process of determining when the next required training must be completed. Commissioners expressed their desire to not use the online training system because of technical

difficulties experienced in the past. Mr. Robbins stated that he will be contacting the Attorney General's office to determine alternative means to complete the training.

IX. Schedule of Regular Meetings

The Commission resolved to move its next regular meeting to Tuesday, November 18th at 10:00 a.m., instead of November 17th as previously scheduled.

The tentative 2015 Schedule of Regular Meetings was reviewed by the Commission, and it was suggested that the November 2015 meeting should be moved to November 16th. Mr. Robbins noted that the Commission would vote on the 2015 schedule at the next meeting.

X. Adjournment

There being no further business, the Commission adjourned at 11:39 a.m.

John T. Stirrup, Jr.
Chairman

Zachary Robbins
Local Government Policy Manager