

**DRAFT MINUTES**  
**Regular Meeting**  
**Commission on Local Government**  
**10:00 a.m., November 18, 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.  
Cole Hendrix  
Victoria L. Hull

**Members Absent**

**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 10:03 a.m. on November 18, 2014 in Henrico Room 3 at the Virginia Housing Center in Glen Allen, Virginia.

**I. Administration**

**A. Approval of Minutes of the Regular Meeting on September 8, 2014**

Ms. Hull made a motion to approve the minutes. Such motion was seconded by Mr. Kines and the Commission approved the minutes. Mr. Hendrix abstained from voting because he was not present at that meeting.

**B. Public Comment Period**

The Chairman opened the floor to receive comments from the public. Jo Gehlbach, Government Affairs Coordinator for the Richmond Association of Realtors introduced herself to the Commission. No other persons appeared to testify before the Commission during the public comment period.

**C. Presentation of Financial Statement for October 2014**

Referencing an internally produced financial statement that encompassed expenditures through the end of October 2014, or one-third of the year, Mr. Robbins stated that fiscal year-to-date expenditures were 32% of the total allocated amount.

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**D. Policy Manager's Report**

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

- VACo and VML newsletter articles on the first meeting of the new Task Force for Local Government Mandate Review.
- Pending federal litigation between a developer and Chesterfield County regarding the validity of the cash proffer system.
- Budget reductions that have resulted in a \$30 million reversion of local aid to the Commonwealth that will occur during FY15 and FY 16.
- Potential closures of elementary schools in Bedford County as a result of recommendations in an efficiency review that was required by the General Assembly. The School Division feels pressured to comply with these recommendations or else risk losing the incentive funding that was obtained from the reversion of the City of Bedford to town status.
- City of Bristol and Washington County have adopted a revised voluntary settlement agreement to incorporate the Commission's recommendation to clarify what parcels will be subject to revenue sharing. The City also has embarked upon an economic development planning process.
- Commission staff travelled to Town of Front Royal to attend the special court proceedings in the matter of the Front Royal-Warren County voluntary settlement agreement. The Court approved the three-party version of the agreement, as opposed to the two-party version that the Commission recommended.

Discussion ensued regarding the Front Royal case, and the precedent set by the special court's decision to accept the three-party agreement, despite concerns that the applicable state statute (§ 15.2-3400) only permits voluntary settlement agreements between two or more localities, and does not suggest a private party can be included. Mr. Robbins stated that going forward, if the Commission was presented with the same situation, staff would likely suggest making the same recommendation as it did in this case, and the Court would act as it sees appropriate.

Mr. Robbins continued reviewing items with the members:

- A potential annexation issue between Middletown and Frederick County, involving utility service areas.
- Opinions on the potential reversion of Martinsville to town status given by Martinsville City Council candidates.
- Potential annexation issues between Smithfield and Isle of Wight County.

**E. Conflict of Interest Act Matters**

Mr. Robbins reminded members that the deadline to complete the biennial Conflict of Interest Act training course is December 31st. He added that members could take the online webinar offered by VML/VACo and Sands Anderson, or the online course through DHCD. Mr. Robbins added that he needed signatures from those who have viewed the webinar.

Mr. Robbins also advised members that annual Conflict of Interest Act disclosures would be required by December 15<sup>th</sup>, and for them to look for an email with instructions for filling out the statement online or a link to a pdf form that can be mailed in.

## **II. 2014 Cash Proffer Survey and Report (Draft)**

Mr. Conmy stated that pursuant to §15.2-2303.2 of the Code of Virginia, the Commission is directed to survey all localities that are eligible to collect cash proffers and have a population of over 3,500, with respect to their revenues and expenditures of cash proffers. He indicated that 298 localities are eligible to collect proffers but only 162 are required to report. Mr. Conmy noted that after follow-up requests, a 100% response rate was achieved, as has been achieved since the report's inception. He indicated that 42 localities (29 counties, 9 cities, and 4 towns) reported that they collected cash proffers in FY 2014, which is up from 37 in FY 2013. Total collections in FY 2014 were the highest ever reported, at \$91.4 million, which was a 9.72% increase from FY 2013.

He noted the report also includes a correction to the previous FY 2013 report, where cash proffer collections from Orange County erroneously included funds associated with a special use permit, which is not technically reportable – because it was not cash proffered associated with a rezoning case. Expenditures equaled \$40.9 million, which was a 20.42% increase over FY 2013. Next, Mr. Conmy reported that 49.3% of proffer expenditures were used for schools and 26.5% for transportation purposes. He indicated that the heaviest proffer activity was in Loudoun County, followed by Prince William, Fairfax, and Chesterfield Counties.

Discussion ensued regarding localities on the report that had not previously collected cash proffers. Mr. Conmy agreed that he would notify the Commission which localities in the report were reporting collections of cash proffers that did not report cash proffers in the previous report, and that future issues of the report will denote such localities. There was also brief discussion regarding future versions of the survey instrument, specifically whether language should be added to clarify that cash contributions through a special use permit are not proffered cash payments, and clarification on the second mandated question, regarding pledged cash that is “not conditioned on any event other than time.”

Mr. Hendrix made a motion that the 2014 Cash Proffer Report be approved. Such motion was seconded by Ms. Hull, and the Commission unanimously approved the report.

## **III. Fiscal Impact Process Improvements**

Mr. Lanza indicated that the improvements suggested by the Local Fiscal Impact Review Process are well underway. The web portal which will be used to collect information from local government volunteers has been completed and is being tested. In the next few weeks, login IDs will be issued to the volunteers, which are still being actively recruited. Mr. Lanza then reviewed the professional organizations who have volunteered to participate in the process, and that locality volunteers will be recruited within the next few weeks.

## **IV. Fiscal Stress Report for 2012/2013**

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Mr. Lanza advised the Commission that the only missing piece of data is median household income data, which will be released by the Census Bureau shortly, and he anticipates the Fiscal Stress Report to be presented to the Commission on-time in January.

**V. Task Force for Local Government Mandate Review**

Mr. Robbins reported that the first meeting of Governor McAuliffe's appointees to the Task Force for Local Government Mandate Review was held on October 23<sup>rd</sup> in Chesterfield County, and the next meeting will be held in downtown Richmond on December 10<sup>th</sup>. The group reviewed the prior membership's recommendations and comments from VACo and VML. The group then decided to forward a list of six recommendations to the Governor for consideration before the upcoming General Assembly session, which will be finalized at their upcoming meeting. After the short-term recommendations are adopted, they plan to discuss long-term goals.

**VI. JLARC Report: Local Government and School Division Consolidation**

Mr. Robbins stated that this report was released by JLARC in September 2014, and was requested by the General Assembly following reversion of the City of Bedford to town status. The legislature wanted a review of the state's consolidation incentives for their effectiveness. He then reviewed the report's findings and recommendations.

**VII. Schedule of Regular Meetings**

Mr. Robbins presented the proposed meeting schedule for 2015, as included on the Commission's agenda. Ms. Hull made a motion to adopt the meeting schedule. Such motion was seconded by Mr. Kines, and the Commission adopted the following schedule unanimously:

- a. Monday, January 12, 2015
- b. Monday, March 9, 2015
- c. Monday, May 11, 2015
- d. Monday, July 13, 2015
- e. Monday, September 14, 2015
- f. Monday, November 16, 2015

Mr. Hendrix announced that this is the last meeting of his term, and expressed appreciation to members and staff.

**VIII. Adjournment**

Mr. Hendrix made a motion to adjourn the meeting, which was seconded by Mr. Goodson, and was unanimously adopted. The meeting was adjourned at 11:10 a.m.

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John T. Stirrup, Jr.  
Chairman

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Zachary Robbins  
Local Government Policy Manager