

DRAFT MINUTES
COMMISSION ON LOCAL GOVERNMENT

Regular Meeting

10:00 a.m., November 14, 2006

Members Present

Harold H. Bannister, Jr., Chairman
John G. Kines, Jr.
Vola T. Lawson
Frances M. Parsons

Members Absent

Kathleen K. Seefeldt, Vice Chairman

Others Present

Bill Shelton, Executive Director
Ted McCormack, Associate Director

Call to Order

The Chairman called the meeting to order at 10:00 a.m., November 14, 2006 in the Chesapeake Room of the Homestead in Hot Springs, Virginia.

I. Administration

A. Approval of Minutes of Regular Meeting of September 12, 2006

The minutes of the Commission's regular meeting of September 12, 2006 was approved without amendment.

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.

C. Presentation of Financial Statement for October 2006

The Associate Director indicated that the member's packet for the current

meeting contained an internally produced financial statement that encompassed expenditures through the end of October 2006. Mr. McCormack stated that the financial report covered slightly more than one-third of Fiscal Year 2007, and that Commission expenditures for that four-month period were just over \$107, 900, or 30.4% of the \$354,400 budgeted for the current fiscal year. The members accepted the report for filing.

D. Associate Director's Report

1. Remarks by Mr. Bill Shelton

The Executive Director advised the members that Ted McCormack, the Commission's Associate Director, will retire effective December 1, 2006, but in the interim, he had accepted a new position with the Virginia Association of Counties on November 1, 2006. Mr. Shelton noted, however, that Mr. McCormack had agreed to assist with the Commission's operations as needed prior to his retirement date and in a limited capacity in the future. Mr. Shelton then reviewed the plans of the Department of Housing and Community Development to recruit a replacement for the Commission's associate director. He stated that until that position was filled, DHCD would provide both logistical and policy support to the Commission. He indicated that the associate director's position would be advertised in the near future in a variety of appropriate media. Mr. Shelton observed that until the associate director's position was filled that recruitment for the Commission's senior policy analyst would be held in abeyance. After a further discussion with the members,

Mr. Shelton agreed to include one or more Commissioners on the panel that would interview the final candidates for the associate director's position. At the close of Mr. Shelton's report, the Commission agreed to a request by Mr. Kines that a resolution of appreciation be prepared and presented to Mr. McCormack.

2. Annual Filing of Statements of Economic Interest

Mr. McCormack stated that members will be mailed in the near future the forms that they file annually listing their economic interests. The Associate Director noted that the process will be managed by the Department of Housing and Community Development and that the forms are to be returned to that office by the end of January 2007.

3. VML-VACO Legislative Day

The Associate Director stated that the annual Legislative Day sponsored by the Virginia Municipal League and the Virginia Association of Counties was scheduled for February 1, 2007 in Richmond. Mr. McCormack stated that the general program would begin at noon at the Marriott Hotel, and he requested that if any member wished to attend the program, they are encouraged to make reservations on their own.

4. Meeting Per Diem

The Associate Director stated that in accordance with the Commission's policy on compensation and reimbursement, per diem would be paid to Mr. Kines and Mrs. Lawson for their travel on November 12, 2006, Mr. Bannister and Mrs. Parsons for their travel on November 13,

2006, all members present for their service to the Commonwealth on November 14, 2006, and to Mrs. Lawson for her travel on November 15, 2006.

5. Staff Presentations

The Associate Director noted that on October 23, 2006 he gave a presentation on interlocal relations to the members of the House Committee on Counties, Cities and Towns and that a copy of the presentation was included in the member's packet for the current meeting. Mr. McCormack also stated that on November 30, 2006, he will speak to a meeting of Winchester and Frederick County officials on the subject of consolidation.

II. Report on Proffered Cash Payments and Expenditures

A. Preliminary Staff Comment

The Associate Director distributed to the members revised sections of a draft of the Commission's annual report on the acceptance of cash proffers by local governments. Mr. McCormack stated that the report included the results of a survey of the 141 counties, cities and towns that are required to report on their cash proffer usage and that as in the past the response rate to the 2006 survey was 100%. He noted that in terms of the findings contained in the draft report, 42 of the 141 eligible localities reported accepting cash proffers during the 2006 fiscal year and further, that those local governments reported cash proffer revenues of approximately \$67.3 million and expenditures of cash proffers on local projects of approximately \$67.7 million. Mr. McCormack concluded his report by stating

that if the members sanctioned the release of the report, the document would be sent to the Chairman of the Senate Local Government Committee and to the Chairman of the House Committee on Counties, Cities and Towns well in advance of its November 30 due date.

B. Commission Deliberation and Action

After a brief discussion of the draft report and the survey results, the Commission authorized the staff to release the report.

III. Revision of Mandate Assessment Process

A. Preliminary Staff Comment

The Associate Director stated that the Commission had been mailed previously the recommendations of their task force on the review of the mandate assessment process. Mr. McCormack noted that the task force, which was created in July 2006 pursuant to a joint request of the Virginia Municipal League and the Virginia Association of Counties, held its final meeting on September 20, 2006 and agreed to several changes to the process by state agencies evaluate the impact on local governments of the mandates that they administer. He observed that while there were 19 recommended amendments to the assessment process, there were five major policy changes. First, he indicated that the mandate assessment process would focus on the fiscal impact on local governments of new mandates that have been enacted by the General Assembly rather than the current periodic review of existing mandates. He noted, however, that VACO, VML and local governments could request to the Commission that up to five existing mandates be reviewed each year. Second, Mr. McCormack stated that while the

Commission would continue to publish its annual catalog of mandates, the current inventory of compulsory orders and regulation of optional activities mandates would also include new mandate categories of non-discretionary conditions of financial aid (e.g., No Child Left Behind Act) and state fiscal pre-emption mandates (e.g., Car Tax). Third, the Associate Director observed that the responsibility for determining the fiscal impact of the mandates under review would shift from state agencies to local governments. Mr. McCormack indicated that in order to facilitate the exchange of information on mandate costs, the Commission would expand the capabilities of its website so that state agencies can post information on their mandates under review and localities can provide data as to the fiscal impact of those mandates. Finally, he noted that the Commission would make an annual report to the Governor and General Assembly on the impact of mandates on local governments and which of the mandates reviewed each year, if any, should be altered or eliminated.

B. Commission Deliberation and Action

After a discussion of the proposed revisions to the mandate assessment process, the Commission adopted the recommendations of the mandate assessment task force. Mr. McCormack indicated that he would communicate with appropriate members of the DHCD staff about plans for enhancements to the Commission's website and to translate the adopted revisions to the mandate assessment process into a Governor's executive order.

IV. Scheduling of Next Regular Meeting

The Commission scheduled its next regular meeting for Tuesday, January 16, 2007 at its offices in Richmond

V. Adjournment

The meeting was adjourned at 11:55 a.m.

Harold H. Bannister, Jr.
Chairman

Ted McCormack
Associate Director