

**DRAFT MINUTES**

**Commission on Local Government  
Oral Presentations  
City of Covington – Alleghany Highlands  
Proposed Consolidation Agreement**

**10:30 a.m., March 22, 2011  
Circuit Court Courtroom  
Alleghany County Courthouse  
266 West Main Street  
Covington, Virginia**

**Members Present**

Wanda C. Wingo, Chairman  
Cole Hendrix, Vice-Chairman  
Harold H. Bannister  
Kathleen K. Seefeldt

**Members Absent**

**Staff Present**

Susan Williams, Local Government Policy Manager  
Zack Robbins, Senior Policy Analyst

**I. Call to Order**

Mrs. Wingo called the meeting to order at 10:35 a.m. on March 22, 2011, in the Circuit Court Courtroom at the Alleghany County Courthouse in Covington, Virginia.

**II. Oral Presentations by the Citizens Committees**

**A. Introductory Remarks by the Chairman**

Mrs. Wingo welcomed those in attendance and explained that the Commission scheduled this meeting to receive oral presentations from the parties and invited speakers as part of its review of the proposed City of Covington – Alleghany County consolidation agreement, which was negotiated by the Citizens Committees that were appointed by the Circuit Court to act for and in lieu of the Covington City Council and Alleghany County Board of Supervisors.

Mrs. Wingo stated that public notice for this meeting was published in the March 2 and March 9 editions of the *Virginian Review*, and that notice was also sent to the appropriate local government officials. She then introduced the members of the Commission and its staff.

Mrs. Wingo explained the legal authority for the Commission's review, reviewed guidelines for the presentation of testimony, and outlined the order of the proceedings for the day. She then asked the Citizens Committees representative to proceed with their oral presentations.

#### **B. Oral Presentations by the Citizens Committees**

Mr. Carter Glass IV, representing the Citizens Committees began by welcoming the Commission members to the Alleghany Highlands area. He emphasized that the Commission's responsibility in this matter is limited to the determination of the eligibility of the two localities to consolidate, not to determine whether the county or city form is most appropriate. Additionally, he noted that the prior consolidation attempts in the Alleghany Highlands received favorable action from the Commission, and that demographic and economic trends have not changed since. Mr. Glass then stated that the proposed consolidation would result in a unit of local government with a greater fiscal capacity due to additional state incentives that were not available during previous consolidation attempts. He pointed out legislation that passed during the 2011 General Assembly to allow for a consolidated city to receive State Compensation Board funding for law enforcement deputies that are under the supervision of a city sheriff, as opposed to the lower amount of state funding provided for police officers, known informally as "HB 599 funds."

Mr. Glass then called the Citizens Committee's first witness, Dr. Toni Elitharp.

Dr. Elitharp stated that she is Director of Special Education for Pulaski County Schools and is experienced in fiscal analysis and budgeting for public schools. She said that, in 2009, S. John Davis and Associates (Davis firm) was retained by the Covington and Alleghany County school divisions to study the potential consolidation of the divisions with respect to enrollment, compensation and facilities as well as the potential fiscal status of a merged school division. Dr. Elitharp's involvement with the study did not begin until 2010 when the Citizens Committees requested the Davis firm to update the previous study to further evaluate equalizing salaries between the two divisions and potential cost efficiencies and duplication of services.

Dr. Elitharp stated that the key assumptions that were considered in the updated study were: (1) that all schools were to remain open for three to five years following consolidation, (2) that salaries would be equalized in the consolidated school division by "leveling up" the lower of the two salary

scales to the division with the higher scale, (3) that no school names would change, (4) that no attendance zone changes would occur, and (5) that all personnel would be retained in their existing school, unless removed for cause.

Dr. Elitharp then said that the study concluded that the consolidation of the two school divisions would be financially beneficial, with savings realized over several years rather than instantly, because elimination of duplicate positions is proposed to occur eventually as a result of attrition. Dr. Elitharp said that Covington's school salary scale is the higher of the two, and that there would initially be a cost increase to equalize the salaries between the employees of the two divisions.

Mr. Glass then distributed to the Commission a revised summary to the 2010 Davis report, pages 70 -71.

Dr. Elitharp then stated that the projected net financial impact shown on the revised Table 56 shows the annual increased cost for salary equalization would be \$949,405; however, that cost would be offset by the elimination of duplicate positions and additional state funding due to consolidation incentives, resulting in a first year cost in FY 2013 of \$427,958, and a second year cost in FY 2014 of \$429,925. She also stated that this analysis was the worst-case scenario, which assumed that all salary equalization would occur in the first year.

Dr. Elitharp then explained Table 43 on page 52 of the 2010 Davis report, which showed potential duplicate positions that could be eliminated or reassigned, based on the attrition rates of the existing school divisions. In sum, the total savings, once complete attrition of the positions occurs, would result in a reduction of 14 positions, and a savings of \$552,765. She also stated that an additional \$147,000 could be saved, when considering the elimination of one of the existing superintendent positions, along with their executive assistant, upon the expiration of their terms.

Dr. Elitharp disclosed that the study did not consider all potential savings related to instructional positions and facilities because it was not a part of the scope of the study and because the consolidation agreement anticipates that the future school board would make decisions that would impact those areas. With reference to some of the cost savings that were not part of her study, she referred to the elimination of duplicate school board offices and the consolidation of duplicative bus routes.

Dr. Elitharp then referred to two alternate scenarios to those shown on Table 56 (referred to as Table 56 Alternate, which was distributed to the Commission at this time). Table 56 Alternate shows the projected financial impacts of salary equalization occurring over a three-year and five-year period. Dr.

Elitharp stated that the alternative proposal with a three-year salary equalization would result in a savings of \$204,979 in the first year, a cost of \$15,056 in the second year, and a cost of \$24,991 in the third school year. The third year figure also includes the savings from elimination of the duplicative school superintendent and executive assistant positions. With respect to the five-year salary equalization scenario, Dr. Elitharp then reviewed the potential cost savings, which ranged from a savings of \$331,566 in the first year to a \$57,590 cost in the fifth year when fully implemented.

Dr. Elitharp summarized that her study concluded that the long-term impact of the consolidation of the two school systems would be a reduction in the net cost, despite increased upfront costs. She also cited the equalization of salaries as a tool to attract more highly qualified teachers and retain existing instructors.

Mr. Bannister asked if the study considered inflation rates. Mrs. Elitharp stated that it does not.

Mr. Glass then called his second witness, Dr. Richard Salmon.

Dr. Salmon stated that he is a Professor Emeritus in the School of Education and Leadership at Virginia Tech, where he taught and researched public school finance. Dr. Salmon has studied school consolidation proposals in several states, including the 2009 and 2010 Davis firm studies regarding Allegheny and Covington school consolidation. Dr. Salmon indicated that, for the study, he analyzed the effect of the state's incentives to consolidate school divisions, specifically the incentive to allow consolidated school systems to receive formula-based state school funding based upon the consolidating school system that has the lower local composite index (LCI) value.

Dr. Salmon then provided an overview of formula-based state aid for education and how state funds are distributed to local school divisions with greater per-pupil assistance given to poorer localities. Dr. Salmon indicated that Allegheny County has a lower LCI score than Covington; therefore, the Commonwealth sends more funding per-pupil to Allegheny County.

Dr. Salmon then explained Table 53, on page 67 of the 2010 Davis report, which shows the projected financial impact of the Commonwealth's incentive program to consolidate school divisions. Specifically, Option 1 on the table demonstrates the estimated increase in state funding that would be allocated to the Allegheny Highlands school division each fiscal year due to the application of Allegheny County's lower LCI value to the entire consolidated school system. These amounts are shown in the row titled "Direct State Appropriations." Dr. Salmon stated that there is variation in the increased

allocations due to projected fluctuations in school membership, LCI, and total statewide allocations to education.

Mrs. Seefeldt asked for additional explanation of the LCI, and the current index value for Covington and Alleghany County. Dr. Salmon stated that statewide, the LCI normally ranges from school divisions with a low of 0.14 to 1.0 and above. Jurisdictions over 1.0 are theoretically ineligible for any state aid, and a jurisdiction with an LCI of 0.14 would be eligible for 86% per-pupil state funding, with a 14% local match. He further explained that the governing statutes have been amended to protect wealthier school divisions by capping the LCI at 0.8, guaranteeing a 20% per-pupil state allocation in those divisions. Dr. Salmon stated that the current LCI for Covington is 0.2597, and for Alleghany County is 0.2151.

Mr. Bannister asked for elaboration as to the how the fluctuation of index variables can be correctly projected. Dr. Salmon indicated that the LCI is very difficult to project. He added that the LCI has flaws; however, it is politically difficult to adjust the methodology and that the influence of Northern Virginia's economy on the LCI can distort fiscal conditions in the remainder of the state.

Mr. Glass then called his next witness, Mr. Steven Jacobs.

Mr. Jacobs indicated that he is employed by the accounting firm Robinson, Farmer, Cox and Associates (RFC) as a managing director and director of consulting services. He stated that Alleghany County and Covington retained his firm in 2009, prior to the appointment of the Citizens Committees, to study the financial impact of potential consolidation into a consolidated city, consolidated county, and county-with-town governmental arrangements. These studies were limited in scope and did not encompass education expenditures.

Mr. Jacobs indicated that the Citizens Committees requested that his firm update the 2009 study based upon the provisions included in the proposed consolidation agreement and to include comparative data for the two existing jurisdictions, the proposed consolidated city, and other localities across Virginia.

Mr. Jacobs stated the main assumptions considered for the updated study were that: (1) a city form of government would be adopted with city tax rates; (2) a sheriff's department would serve as the law enforcement agency for the city; (3) all current employees of Covington and Alleghany County would be retained; and (4) no service reductions would occur. Mr. Jacobs said that the study findings had been summarized in a three-page handout, which was distributed to the Commission at this time.

Mr. Jacobs said his findings concluded that ultimately \$2.25 million would be saved as a result of the proposed consolidation, or just under \$2 million when considering the Committees' alternate assumptions. He then explained that on the first page of the handout is a table showing only line items with adjusted revenues and expenditures that would be impacted by the studied assumptions.

The bottom third of the first page of the handout shows an estimated \$917,708 reduction in expenditures (not including education expenses). Those reductions are attributable to: (1) elimination of one governing body; (2) reduced legal and auditing expenses; (3) reduction of five positions among the Commissioner of Revenue and Treasurer Offices, due to adjustments in Compensation Board funding; (4) elimination of one electoral board; and (5) cessation of the current arrangement whereby Alleghany County's solid waste is transferred to an out-of-county landfill, as the current Covington landfill would be used by the proposed consolidated city. Mr. Jacobs added that an additional \$330,000 in savings could be realized as attrition occurs, based upon the assumptions used in the study conducted for the City and County in 2009.

Regarding revenues, Mr. Jacobs stated that he initially identified an additional \$1.3 million in revenue that could be generated by applying current City of Covington assessment practices and tax rates in the proposed consolidated city. The Committees then requested study of an alternative set of assumptions, which produced an additional \$1 million in revenue. The alternative assumptions were that: (1) the proposed city would not increase personal property taxes for County residents; (2) machinery and tool tax revenue would not increase; (3) the County's higher hotel occupancy tax rate would be levied; and (4) "soft billing" to insurance companies for emergency services would be implemented.

Mr. Jacobs then affirmed that his study is based upon assumptions of taxes that a future city council of Alleghany Highlands could impose and, further, that, if the council chose to adjust tax rates so that no additional revenue would be raised, the \$917,708 in saved expenditures would still be realized. Mr. Jacobs then explained that the graphs on the last two pages of the handout depict the findings of each set of assumptions.

Next, Mr. Jacobs explained his comparative analysis of debt per capita, on page 113 of the RFC study, for Virginia's city governments, explaining that the proposed City of Alleghany Highlands' debt per capita would be lower than the average among cities, at \$3,013 per capita, based upon FY2009 data. He further stated that he estimated the revenue generating capacity of the proposed city to be the lowest, at \$1091.13 per capita, when compared to existing cities of similar size.

Mr. Bannister asked if fiscal comparisons were made with counties or adjacent localities. Mr. Jacobs responded that they were included in the data set, but not illustrated in the tables and charts.

Mr. Robbins stated that retail sales in Covington generally are twice the amount that occurs in Alleghany County, and he asked if this were considered when estimating the anticipated \$225,000 in additional tobacco tax revenues. Mr. Jacobs stated that it was not, and that it was based upon the per-capita tobacco tax collections that occur within the City of Covington.

Mr. Glass then reminded the Commission that the fiscal comparisons were only made with cities because the Commission is required to determine the fiscal capacity of the proposed locality to function as an independent city.

Mr. Glass then called his next witness, Mr. Joseph Carpenter.

Mr. Carpenter stated that he is a Covington resident, serving as chair of the Citizens Committee acting in lieu of the Covington City Council. Mr. Carpenter said that he is employed part-time by the Alleghany County School Board. He further stated that he previously lived in the County, serving on the Board of Supervisors during the last two consolidation efforts.

Mr. Carpenter then indicated that he believes the proposed consolidation would be in the best interest of the residents of the existing localities. He said that the enrollment at Alleghany High School has steadily decreased, despite a previous consolidation with Clifton Forge schools, resulting in schools that are too small to offer a variety of courses. Mr. Carter then referred to a study by the State Department of Education that indicated that school divisions with fewer than 3,000 students are less efficient than their larger counterparts. Mr. Carpenter remarked that Alleghany County Schools has about 2,700-2,800 students, and Covington has about 750-850 students. Mr. Carpenter remarked that there is no need for two administrative units for such a small number of students and that there are not any resources to build an anticipated \$40,000,000 high school replacement.

Mr. Carpenter said that he believes the state is interested in seeing smaller local governments consolidate, which was even further affirmed in the General Assembly's actions this past Session to enable the future city to utilize a city sheriff's department for primary law enforcement rather than a traditional police department.

Mr. Hendrix asked if the Citizens Committees believe that consolidation would improve the current population and school enrollment trends. Mr. Carpenter responded that he does because the Virginia local government model makes cooperation between cities and counties difficult. He cited past challenges in creating a consolidated E-911 center for the area.

Mr. Hendrix then asked if Mr. Carpenter believes that the area's problems are attributable primarily to Virginia's local government structure or is it simply the two localities' inability to agree. Mr. Carpenter responded that he believes Virginia's model is the cause and that, in order to successfully negotiate a consolidation proposal, it required appointment of citizens who were removed from the political process.

Mr. Bannister asked what made this proposal different from the two previous consolidation efforts. Mr. Carpenter said the plan is slightly different; however, the portion that pertains to the Commission on Local Government's review is not. He said that the economic condition of both localities has further declined since the last efforts.

Mr. Bannister then asked what actions the city and county would be required to take if the referendum fails again. Mr. Carpenter remarked that the city may need to consider reversion to town status, or repeal of its charter, returning its territory to unincorporated status.

Mr. Bannister then asked what mechanisms would be available to the proposed consolidated government that are not currently available to the city and county. Mr. Carpenter stated that the General Assembly just authorized the use of a city sheriff's department for primary law enforcement, and also that road maintenance incentives for consolidated cities have improved.

Mr. Cole asked if the decision to utilize a sheriff for law enforcement was strictly a financial decision. Mr. Carpenter responded that the Committees determined that a city form of government is most appropriate, and that the utilization of a sheriff's department was a concession for county residents, in addition to the lure of Compensation Board funding.

Ms. Williams asked if there would be the same number of law enforcement deputies provided for the proposed city as there are currently law enforcement deputies and police officers within the current jurisdictions. Mr. Carpenter responded that no law enforcement positions are anticipated to be eliminated, or lost due to attrition. Mr. Glass noted that this decision would ultimately be decided by the proposed city's council; however, the financial analysis was based upon the assumption that all law enforcement positions would be retained.



Mr. Glass then called his final witness, Mr. George Goode.

Mr. Goode stated that he is an Alleghany County resident, serving as chair of the Citizens Committee acting in lieu of the Alleghany County Board of Supervisors. He also indicated that he previously served as mayor in Clifton Forge.

Mr. Goode stated that Clifton Forge's Town Council and some citizens were concerned about the town's loss of annexation rights if it were to become a township as a result of the consolidation; therefore, the Citizens Committees successfully sought legislation to amend the pertinent statute. He added that the Town Council does not have any immediate plans to exercise its annexation rights; however, it wants to ensure that the right is retained, especially since the moratorium on annexations by Clifton Forge is set to expire in 2013. This moratorium was part of the Voluntary Settlement Agreement governing Clifton Forge's reversion to town status. He also stated that composition of the Clifton Forge Town Council has since changed, and he does not know what their intent may be. Finally, he noted that a provision was also included in the proposed agreement to allow the township of Clifton Forge to enter into an agreement to dissolve itself. Mr. Goode then summarized that he believes that the proposed consolidation agreement would be in the best interest of the Town of Clifton Forge and the Town of Iron Gate.

Mrs. Wingo then announced that the Commission would recess for lunch until 1:30 p.m.

Reconvening:

Mrs. Wingo called on the representative designated by the Covington City Council for testimony.

### **C. Oral Presentations by the Covington City Council Representative**

Mr. Rob Bennett, Mayor of the City of Covington, came before the Commission, citing three major areas of concern: (1) allowing Clifton Forge and Iron Gate to potentially annex part of the proposed city; (2) election of sheriff as the chief law enforcement officer; and (3) concerns with the financial analysis.

Mr. Bennett said that the City Council believes that the intent of the petition was to consolidate the Alleghany Highlands into a single jurisdiction and that intent has not been met by the proposed agreement because the region will still have three local governments and hurdles to economic growth will remain. Additionally, he stated that duplication of services has not been addressed, because savings are realized through attrition.

Mr. Bennett expressed concern that candidates for sheriff are not required to have any law enforcement experience, that elected sheriff's offices are subject to political pressures, and that the sheriff is not accountable to the city manager. Additionally, he said he was concerned that the financial analysis assumes that the state will continue current levels of funding for public safety positions.

Regarding the fiscal analysis compiled for the Citizens Committees, Mr. Bennett said that the Council is concerned that the study assumed that additional revenue would be derived from tax increases, which would be determined by the proposed city's council. Finally, he expressed concern that the analysis showed prior year fund balances from each jurisdiction as savings for the proposed city.

Mr. Bannister asked if Mr. Bennett believes that the tools available to the proposed city are greater than those currently available. Mr. Bennett cited additional taxes that may be levied by cities, road maintenance, and police protection as powers that are typically available to cities. He added that the Covington City Council does not oppose the proposed agreement; however, Council believes that it cannot agree to the issues that he presented earlier.

Mr. Bannister noted that the city's per-capita expenditures are markedly higher than the county's, and asked how the city intends to address this issue if the consolidation is not successful. Mr. Bennett replied that the city currently subsidizes many services that county residents take advantage of, such as parks and recreation and the library. He further stated that economic growth must occur, otherwise other revenue sources would need to be identified. Mr. Bennett said that he does not believe that consolidation is the key to economic growth in the area, and that attention must be devoted to workforce development and the extension of gas lines to industrial parks.

Mr. Bannister then asked if the City alone has the resources to accomplish those economic development initiatives. Mr. Bennett responded that the City has been cooperating with the County relative to economic development, and that any growth that occurs in the region would benefit both localities.

Mr. Hendrix asked Mr. Bennett if he believes that the proposed consolidation agreement meets the Commission's statutory review requirements. Mr. Bennett responded that he does not believe that the agreement does. He added that, prior to the appointment of the Citizens Committees, the City Council was working with County leaders toward a package that would be more likely to be approved at referendum.

Ms. Williams asked what types of joint activities that Covington participates in with Alleghany County. Mr. Bennett replied that cooperation occurs in the areas of emergency services, utilities, libraries and jails.

Mr. Robbins asked at what stage is Covington in its current comprehensive plan update. Mr. Bennett answered that it is in the very early stages, and that there are not any draft materials available.

Mr. Glass was then permitted to question Mr. Bennett regarding his remarks. Mr. Glass asked if the utilization of an elected sheriff for primary law enforcement is unique to this part of Virginia. Mr. Bennett responded that it is not.

In response to a question from Mr. Glass, Mr. Bennett said that the choice between city and county forms of government was not the most divisive issue during the Council's negotiations with the County Board of Supervisors. He added that the prior consolidation efforts proposed the city form of government and were successful at referendum in the County. He added that he believes that the issue of the accountability of an elected sheriff will make this consolidation difficult to pass.

Regarding the fiscal study, Mr. Glass asked if the city had endeavored to complete an alternative fiscal analysis of a proposed consolidation. Mr. Bennett said that they had not. He also stated that he was not comfortable with the anticipated revenue reductions due to frequently changing estimates.

#### **D. Oral Presentations by the Alleghany County Board of Supervisors**

Mr. Stephen Bennett, Chairman of the Alleghany County Board of Supervisors, appeared before the Commission. He stated that the Board did not take an official position regarding the consolidation agreement; however, he noted that his remarks contain concerns of individual board members and citizens.

Mr. Bennett said overall he is in favor of consolidation, but there are too many unknown variables in the plan that are proposed to be addressed by the future city council. He also said that it was not appropriate to compare this consolidation with the previous consolidation attempts because the Clifton Forge reversion had not yet taken effect at the time of the other efforts. He stated that the savings that were realized during the Clifton Forge reversion were much greater because Clifton Forge was a first class city, whereas Covington is a second class city, therefore many services are already jointly provided by Covington and Alleghany County.

Mr. Bennett said many of his constituents have inquired as to what the debts of the two existing jurisdictions are, and how that will be handled, specifically Covington's \$15 million in school construction debt. Additionally, he believes that the utility district-based debts need to be clarified to the constituents, so that the public will understand that user-fee based debt will be handled differently from general fund debt.

Regarding the fiscal analysis, Mr. Bennett stated that he is concerned that much of the anticipated savings is actually increased revenues. Additionally, he indicated that there have been concerns with assumptions that would raise BPOL taxes, which would hinder economic development.

Mr. Bennett said he believes that the estimated tobacco tax revenues are inaccurate because people are willing to drive to avoid paying cigarette taxes, which would also have a negative impact on local sales tax collections. Mr. Bennett said that the proposed "soft-billing" for emergency services is a new fee, and that it would impact some existing rescue squads that already utilize "soft-billing." He expressed concerns that the RFC study, on pages 81-82, misrepresents the effect of fully funding all of the fire and rescue organizations. Mr. Bennett remarked that the projected changes in solid waste costs do not include landfill closure obligations. He expressed concern that the difference in property tax exemptions for the elderly are not the same in Covington and Allegheny County and will need additional analysis. Mr. Bennett further explained that he is concerned about the one-time expenses that would be involved with consolidation, which he estimated to be as much as \$2 million.

Mr. Bennett then stated that the proposed city would exceed 20,000 persons, which may affect USDA Rural Development programs that finance utilities, community facilities and mortgage loans. In the past 10 years, the USDA has provided \$3.6 million for projects in the County. He alluded to other rural and agricultural programs that could be impacted by city status, and urged the Commission to study this issue in detail because he has been unable to find much information regarding other programs that may be impacted.

Mr. Bennett cautioned against using "hold-harmless" education funding for general education expenses and recommended instead that these funds be used for capital expenditures. He stated that the hold-harmless funding associated with the Clifton Forge reversion essentially resulted in the construction of a new elementary school for little to no cost to the county. He criticized the proposed plan for using these hold-harmless funds to provide for salary equalization since this funding stream will not be permanent.

Mr. Bennett also expressed concerns with the consolidation petitioning process. He believes that a referendum should occur at the beginning of the process, prior to developing a consolidation plan. He further stated that, since his constituents do not support consolidation, he knows it would be difficult as their representative to successfully negotiate a consolidation proposal. He urged the Commission to seek changes to the process.

Mr. Bennett summarized that the proposed consolidation to city status would not be appropriate for the area.

Mr. Bannister asked if it is appropriate for the Commission's report to contain information relative to the items that Mr. Bennett asked the Commission to investigate, or if staff should respond directly. Ms. Williams responded that staff has searched for such information, and believes that no single source for it exists.

Ms. Williams asked how the fire and rescue agencies in Alleghany County are funded, since it was indicated that they were only partially funded. Mr. Bennett stated that these are volunteer agencies that seek donations, and solicit funds from the County. He reiterated that the fiscal comparison should take into account the donated funds.

Mrs. Seefeldt complimented Mr. Bennett on the issues that he raised, and asked how his concerns influence the scope of the Commission's review. Mr. Bennett remarked that he believes that the question regarding the best interest of the community is applicable to his concerns. He also reiterated that the Board of Supervisors has not yet taken a position on the consolidation proposal.

Mr. Robbins asked there has ever been a movement to consolidate the two school systems or consolidate individual County schools, due to excess capacity. Mr. Bennett responded that about three years ago the two divisions had worked out a good plan; however, the plan stopped progressing when "the governments" got involved.

Mr. Glass was then permitted to question Mr. Bennett regarding his remarks. He asked if Mr. Bennett's concerns regarding Rural Development funding would be addressed if the proposed city were classified as an entitlement community within the Community Development Block Grant program. Mr. Bennett responded that it would partially alleviate his concerns.

### **E. Written Testimony by Mr. Kevin D. Terrell**

Mrs. Wingo announced that a letter was received from Mr. Kevin Terrell, a member of the Allegheny County Citizens Committee, who is the only member of either Citizens Committee who did not sign the resolution requesting the Commission's review of the proposed agreement. Ms. Williams then read the letter into the record:

*Dear Sir or Madam:*

*My name is Kevin Terrell. I am a member of the Citizen's Committee to Perfect a Consolidation Agreement. I was unable to be here in person, but I felt the need to explain my opposition to this consolidation plan. Our committee was given the mission to examine and choose the best option for consolidation and I think the worst option was chosen. If the city option proceeds, I feel that the outcome will be the same as the two previous city consolidation attempts.*

*My first concern is economics as it pertains to ordinary citizens. It could be argued that the five Allegheny County committee members do not have much in common with average county residents. With that in mind, the decisions made by the committee may not have been in the best interest of county residents. Allegheny County has operated in a fiscally conservative manner and many residents would prefer not to take on the debts incurred by Covington, nor do they wish to live in a consolidated city that has an increased ability to tax.*

*My second concern is the whole concept of a city and the loss of identity for both county and city residents. Allegheny County is largely populated by people who have chosen a rural lifestyle and may not easily see themselves as city residents. Though being a life-long county resident, I do admire Covington for the pride it shows in being independent. I fear that Covington residents will lose their identity and voice in government. In the proposed consolidated city government, current city residents will only have two votes on a council of seven.*

*My final concern has to do with lost opportunity. I do believe that consolidation of government is needed for this area to improve and move forward. But instead of looking at the needs and concerns of the citizens, the committee was swayed by supposed savings. Other consolidation forms exist. In my opinion, either a tier city or a county system would have better suited the needs of all residents, offered savings, and possibly had a better chance of passing a referendum.*

*In conclusion, I oppose the proposed city form of government because I do not think it is the best form for our area. It does not meet the needs of county or city residents. Many of the decisions were made in*

*order to attract votes from Covington residents and not to enhance the quality of life for all. Better options were available. I strongly believe that the committee has failed to understand the people we set out to represent. A committee can create all the agreements it wants, but if the plan fails to resonate with the voters, what good is it? If you have questions or concerns, feel free to contact me.*

*Sincerely,  
Kevin Terrell*

#### **F. Closing Statement**

Mrs. Wingo asked Mr. Glass if he had summary remarks. Mr. Glass called one rebuttal witness, Mr. Jacobs.

Mr. Glass asked if the RCF study presented earlier represents the use of carry-over fund balances toward revenues, as suggested by the Mayor of Covington during his remarks to the Commission. Mr. Jacobs responded that the current study does not.

Mrs. Wingo thanked all of the participants for their work and input into the process. She then reminded participants that the Commission's record will remain open for receipt of additional comment until April 5, 2011. She also noted that the Commission's staff may request additional data from the parties and affected local governments after the record closes. Finally, she stated that the Commission anticipates completion of its report by the end of May 2011, and that the report is only advisory in nature.

### **III. Adjournment**

There being no further business to come before the Commission, the meeting was officially adjourned at 2:58 p.m.

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Wanda C. Wingo  
Chairman

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Susan B. Williams  
Local Government Policy Manager