

MINUTES
Regular Meeting
Commission on Local Government
10:00 a.m., July 10, 2018
VHDA Housing Center

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 10:04 a.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 Richmond Times Dispatch on June 26, 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.

Michelle Gowdy, Executive Director for VML stated that VML was happy to serve as a stakeholder for the study; however, they had a call from the City of Lexington concerning how the fiscal stress index does not acknowledge the amount of state property in localities that cannot be taxed. Such circumstances can affect their

scores, which were used in the Commission's analysis for the Annexation Alternatives Study.

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

II. Administration

A. Approval of Minutes of the Regular Meeting on May 8, 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. Presentation of Financial Statement for June 2018

Mr. Conmy presented the financial statement for the CLG for Fiscal Year 2018. June 30 ended FY 2018, and the CLG closed out the year with a zero balance. Mr. Conmy stated that a mid-year report will be presented at the January meeting.

D. Policy Administrator's report

Mr. David Conmy then 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 CLG appointment. Ms. Kristen Dahlman provided an update to the Southwest Virginia Revenue sharing agreement. She stated that the legislation went into effect on July 1, 2018, but the localities have not yet drafted a revenue sharing agreement. 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.

E. Senior Public Finance Analyst's Economic Report

Mr. Ali Akbor gave a presentation on the current employment conditions in Virginia. He stated that Virginia currently has an unemployment rate of 3.4%, which is lower than the national average at 4.1%. He then compared the unemployment rate across all of the metropolitan statistical areas (MSAs) in Virginia and noted that Lynchburg had the highest unemployment rate at 3.7% and Charlottesville had the lowest at 2.9%.

Mr. Conmy noted that the content of such presentations could be useful in keeping the Commission informed of various economic matters and how such matters may influence issues such as local fiscal stress and the need for interlocal agreements and transitions subject to the Commission's review.

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III. Draft Report on Annexation Alternatives Study

Mr. Conmy stated that the comments that were before the Commission were from the stakeholder meeting held in June. No other comments were received by the public. After review of the comments, aside from grammatical and spelling corrections, the Commission asked staff to review the substantive comments and outline recommendations by consensus, minor concern, and non-consensus for the Commission by the next meeting. Recommendations would also include any additional comments that are received by the next meeting.

Staff then discussed the next steps for the study, stating that a second public hearing will be held at the September meeting in Staunton to receive feedback. Staff will then present recommendations on the comments received previously. The final version would be presented for approval at the November meeting to be submitted by December to the General Assembly.

IV. Fiscal Stress Report 2015/2016

Mr. Akbor presented the final version of the Fiscal Stress Report for 2015/2016. He stated that this report reflects Fiscal year 2016 data for all localities except for the City of Hopewell and Manassas Park. Based on a previously approved Commission policy, staff utilized Fiscal year 2015 revenue figures for these two communities due to their lack of filing with the Auditor of Public Accounts (APA). Mr. Akbor assured the Commission that utilizing this data does not have a significant impact on the scoring and noted that the rankings of localities does not change much annually; any erratic change in ranking would cause staff to investigate those matters more closely to ensure there were no errors in the data before finalizing the report. Mr. Akbor presented some key findings of the report to include: that cities have a higher fiscal stress than counties, approximately half of the localities in the Commonwealth are experiencing above average or high fiscal stress, and that since FY2015 only two localities improved their stress category while nine have declined. A motion was made and properly seconded to approve the Fiscal Stress Report for 2015/2016. The Commission's motion also included a statement noting the delinquent status of annual financial reports from the Cities of Hopewell and Manassas Park. Such motion passed.

V. Annual Report on Municipal Boundary Line Changes

Ms. Dahlman presented the Annual Report on Municipal Boundary Line Changes. Ms. Dahlman reported that there was one boundary line adjustment between the Town of Blacksburg and Montgomery County of approximately one and a half acres. A motion was made and properly seconded to approve the report; motion passed.

VI. Other

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

VII. Schedule of Regular Meetings

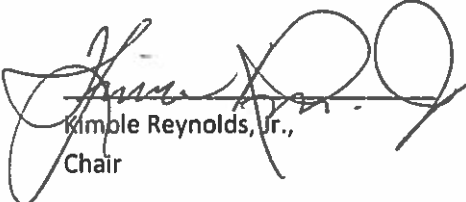
Mr. Reynolds noted that the next meeting of the Commission would be held Tuesday, September 4th at 2:00 p.m. at the Central Shenandoah Planning District Commission Board Room for a second public hearing on the Annexation Alternatives Study.

VIII. Upcoming Events of Interest

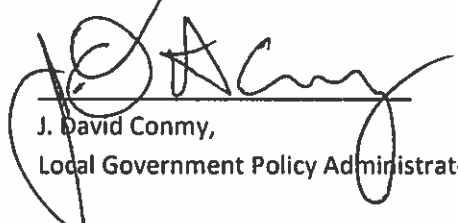
Mr. Reynolds reviewed upcoming dates and events of interest for the Commission.

IX. Adjournment

By consensus of the Commission, Mr. Reynolds called the meeting adjourned at 11:30 a.m.



Kimble Reynolds, Jr.,
Chair



J. David Conmy,
Local Government Policy Administrator