

DRAFT MINUTES
Regular Meeting
Commission on Local Government
10:00 a.m., September, 2009
The Virginia Housing Center at Innsbrook
Henrico Room 2
4224 Cox Road
Glen Allen, Virginia

Members Present

Vola T. Lawson, Chairman
Frances M. Parsons
Kathleen K. Seefeldt

Members Absent

Harold H. Bannister, Jr.

Staff Present

Susan Williams, Local Government Policy Manager
Steve Ziony, Principal Economist
Matthew Bolster, Senior Policy Analyst

Call to Order

Commission Chairman Vola T. Lawson called the meeting to order at 10:27 a.m. on September 14, 2009 in Henrico Room 2 at the Virginia Housing Center in Glen Allen, Virginia.

I. Administration

A. Approval of Minutes of Regular Meeting of July 13, 2009

Mrs. Seefeldt made a motion that the minutes of the Commission's regular meeting of July 13, 2009 be approved, such motion was seconded by Mrs. Parsons, and the Commission unanimously approved the minutes 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 August 2009

Referencing an internally produced financial statement that encompassed expenditures through the end of August 2009, Ms. Williams explained that, now that the Governor has released his most recent Budget Reduction Plan, the budgeted amounts for personal and non-personal services will be loaded into the system. The members accepted the report for filing.

D. Local Government Policy Manager's Report

1. Agency Move

Ms. Williams explained that space is now available in the Main Street Centre for Commission meetings, and she described the parking situation. A brief discussion ensued at the conclusion of which the members expressed their preference to continue to meet at the Virginia Housing Center when space is available.

Ms. Williams distributed business cards with the new address to the members.

2. State Budget

Ms. Williams informed the members that Governor Kaine released his Budget Reduction Plan on September 8. While there were no cuts specific to the Commission or its staff, she explained that there are cuts that will affect all state employees, including a one-day furlough next Spring. She also stated that the Planning District Commission (PDC) funds which pass through DHCD were cut by 10 percent.

3. Staff Activities

Ms. Williams stated that she and Mr. Bolster continued to participate in meetings of the Joint Subcommittee Studying Development and Land Use Tools and its

Minutes
Regular Meeting
10:00 a.m., September 14, 2009
Page 3

Workgroups. In addition, Ms. Williams and Mr. Ziony worked on updating certain activities and benchmarks contained in the 2006 Urban Policy Report for the Office of the Secretary of Commerce and Trade. Ms. Williams revised the items in the DHCD strategic plan and service area plan pertaining to the Commission and PDCs and is in the process of reviewing PDC annual reports and preparing the FY10 DHCD – PDC contracts. Ms. Williams followed up on the tasks for which DHCD was responsible under the Memorandum of Understanding between DHCD and the Fort Monroe Federal Area Development Authority (FMFADA). She also attended the VAPDC Summer Conference and a U.S. Census Workshop. She stated that Mr. Bolster will be attending the Planning for Sustainable Affordable Housing Workshop by the Virginia Housing Development Authority, and she will be attending the VML Annual Conference in Roanoke.

4. Potential Interlocal Issues

Ms. Williams provided a brief update concerning potential interlocal issues involving the Town of Grottoes – Augusta County; Town of New Market – Shenandoah County; the City of Covington – Alleghany County; and the City of Bedford – Bedford County. With respect to the latter, she indicated that a July 1, 2011 target has been established for reversion to town status. With respect to Grottoes – Augusta County, Ms. Williams indicated that the submission of a voluntary settlement agreement to the Commission for review appears to be imminent.

Mrs. Lawson then asked if the Commission's regular meeting scheduled for November 9 could be held in Grottoes / Augusta County in conjunction with the public

Minutes
Regular Meeting
10:00 a.m., September 14, 2009
Page 4

hearing, oral presentations and tour that the Commission will be required to conduct once the submission is received. Ms. Williams explained that, provided that the submission is received in enough time to allow for the advertisement of the public hearing as required by statute, the November regular meeting could be held in Grottoes / Augusta County. In the interest of conserving resources, Mrs. Lawson and the other members present indicated a strong preference for holding the meetings in conjunction with one another, even if the November regular meeting date must be rescheduled.

Finally, Ms. Williams called attention to newspaper articles that were distributed concerning potential issues / actions in Culpeper (Culpeper County); Dayton (Rockingham County); Hillsville (Carroll County); and Purcellville (Loudoun County).

II. Commending Resolution for Mr. Hodge

Mrs. Lawson expressed the Commission's regret concerning the recent resignation of Mr. Hodge. She referenced a resolution distributed to the members prior to the meeting, which commends Mr. Hodge for his dedicated service to the Commission. On a motion by Mrs. Seefeldt, which was seconded by Mrs. Parsons, the Commission unanimously adopted the resolution. Mrs. Lawson indicated that Mr. Hodge will be invited to the November regular Commission meeting for presentation of the resolution.

III. 2009 Catalog of State and Federal Mandates on Local Government

Mr. Bolster said that he had initiated the catalog revision by sending out surveys to all state agencies that have mandates listed in the catalog. The deadline for responding with changes, additions, or deletions is September 15, and about half of the agencies have already responded. Mr. Bolster said that he did not anticipate any problem in obtaining a

full response. So far, there have been a moderate number of alterations, but few new mandates cited. Mr. Bolster said that the catalog would be ready for approval at the November meeting. He noted that he had to forgo using the Sharepoint file-sharing system to complete the task due to complications from the transition from departmental to government-wide servers.

IV. 2009 Survey of Cash Proffers

Mr. Bolster reported that he had mailed the cash proffer surveys in early July to all 153 localities that are eligible to accept cash proffers. The due date for responses is September 30, and 103 responses have been received to date, or about two-thirds of the total. While many of the major proffer recipients have not yet reported, so far proffer collections seem much reduced from previous years. Mr. Bolster indicated that this is related to the statewide slowdown in homebuilding activity.

V. Revenue-Sharing Payments by Funding and Recipient Jurisdictions, FY 2006 – FY 2008

Mr. Ziony indicated that the attached exhibit, which was prepared for the Secretary of Commerce and Trade, shows data for 25 donor/recipient pairings covered by 17 inter-local agreements. He explained that, across the FY 2006-2008 time frame, 11 counties, 7 cities, and 2 towns collected revenue-sharing proceeds during at least two of the periods surveyed.

According to the tabular evidence, bilateral funding relationships characterized five sets of localities—Bedford County/Bedford City, Botetourt County/Roanoke County, Pittsylvania County/Danville City, Southampton County/Franklin City, and Wythe County/Wytheville Town.

Minutes
Regular Meeting
10:00 a.m., September 14, 2009
Page 6

Mr. Ziony explained that the data also reveal that, in any given year, five jurisdictions derived inter-local payments from two different sources. These entities were Bland County (with respect to Wythe County and Wytheville Town), Isle of Wight County (with respect to Smithfield Town and Windsor Town), Franklin City (with respect to Isle of Wight County and Southampton County), Lexington City (with respect to Rockbridge County and Buena Vista City), and Radford City (with respect to Montgomery County and Pulaski County).

He reported that, on a statewide basis, cross-jurisdictional revenue-sharing payments amounted to \$14.3 million in FY 2006, \$15.2 million during FY 2007, and \$18.6 million across FY 2008. Over the three-year span, cities annually registered between 89.8% and 92.3% of the total proceeds.

Mr. Ziony stated that the highest yields (at least \$1 million annually) were received by Charlottesville City from Albemarle County, Franklin City from Isle of Wight County, and Lexington City from Rockbridge County. He further reported that successive yearly payments of \$100,000 or greater flowed to Botetourt County from Roanoke County, Southampton County from Franklin City, Bedford City from Bedford County, Radford City from Montgomery County, and Vinton Town from Roanoke County.

Mr. Ziony noted that, over the FY 2006-2008 interval, four revenue-sharing arrangements yielded no proceeds to the designated beneficiaries. These programs involved Henry County and Martinsville City; Brunswick County and Mecklenburg County; Mecklenburg County and the towns of Chase City and Clarksville; and the

Minutes
Regular Meeting
10:00 a.m., September 14, 2009
Page 7

counties of Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, and Prince Edward.

VI. Fiscal Stress Report for 2007/2008

Mr. Ziony explained that, in its current form the stress index dataset embraces 29 of the 31 demographic, economic, and fiscal indicators that are required for the production of the 2007/2008 composite measure. (See the following table.) The staff is confident that the two remaining variables (total and median adjusted gross income) will be transmitted to the Commission by the respective data vendors (the Department of Taxation and the Weldon Cooper Center for Public Service) in mid-to-late autumn.

Minutes
Regular Meeting
10:00 a.m., September 14, 2009
Page 8

Fiscal Stress, 2007/2008: Data Inventory

<u>Data Sources</u>	<u>Data Dimensions</u>	<u>Number of Variables</u>	<u>Observational Units</u>	<u>Data Received</u>
Weldon Cooper Center	Total Population	1	Counties, Cities	Yes
U.S Census Bureau	Total Population	2	Counties, Towns	Yes
Department of Taxation	Total Adjusted Gross Income	1	Counties, Cities	No
Weldon Cooper Center	Median Adjusted Gross Income	1	Counties, Cities	No
Department of Taxation	Property Values and Levies: Real Estate, Personal Property, and PSC Property Totals	8	Counties, Cities	Yes
Weldon Cooper Center	Motor Vehicle License Tax Rates: Passenger Cars, Motorcycles, and Non-Commercial Trucks	6	Counties, Towns	Yes
Department of Motor Vehicles	Total Number of Registered Motor Vehicles	2	Counties, Cities	Yes
Auditor of Public Accounts	Own-Source Revenue Totals: Real Estate Tax, Personal Property Tax, PSC Property Tax, Motor Vehicle License Tax, Local-Option Sales Tax, Property Tax Interest, Property Tax Penalties, PILT, Interlocally Shared Revenue, All Dimensions	10	Counties, Cities	Yes

Staff, Commission on Local Government

VII. Joint Subcommittee Studying Development and Land Use Tools

Ms. Williams indicated that DHCD director Bill Shelton sent a letter to Joint Subcommittee Chairman Delegate Clay Athey on July 28 outlining the agency's concerns with respect to legislation that has been proposed, which would impact the work of the Commission and DHCD. Ms. Williams reminded the members that the letter was distributed to them previously via email, and it was included in their agenda packages.

Minutes
Regular Meeting
10:00 a.m., September 14, 2009
Page 9

Ms. Williams stated that, while no response has been received to date, Joint Subcommittee staff has acknowledged receipt of the correspondence.

Ms. Williams stated that two of the Joint Subcommittee's Workgroups met on July 30. She indicated that four different interest groups presented four different versions of an urban development area (UDA) bill – the Virginia Association of Counties (VACo), the Homebuilders Association of Virginia, a coalition of conservation groups and the Virginia Chapter of the American Planning Association. She indicated that the version presented by VACo included an additional role for the Commission with respect to the requirement that certain localities designate UDAs in their comprehensive plans. She referred to the draft included in their agenda packages, which provides in pertinent part: “The provision [sic] of this section may be modified or waive [sic], in whole or in part, by the Commission on Local Government pursuant to subsection 5 of § 15.2-2903.”

Ms. Williams indicated that, by the end of the meeting, the Workgroups had identified a number of areas where various interest groups disagree but not many where they agree. She further stated that the full Joint Subcommittee was scheduled to meet on August 19, but the meeting was cancelled due to the Special Session that was convened. She stated that the next meet is supposed to feature presentations from several nationally-known impact fee experts, but the meeting has not yet been scheduled.

VII. Scheduling of Regular Meetings

The Commission confirmed that its next regular meeting is scheduled to take place on Monday, November 9, 2009, subject to the timing of the anticipated submission of a voluntary settlement agreement for review. The Commission confirmed that future

Minutes
Regular Meeting
10:00 a.m., September 14, 2009
Page 10

regular meetings are tentatively scheduled for January 11; March 8; and May 10, 2010.

Per the Commission's direction, Ms. Williams will determine whether space is available at the VHDA Housing Center in Glen Allen to accommodate these upcoming meetings.

IX. Adjournment

There being no further business to come before the Commission, the meeting was adjourned at 11:21 a.m. on a motion by Mrs. Seefeldt, which was seconded by Mrs.

Parsons.

Vola T. Lawson
Chairman

Susan B. Williams
Local Government Policy Manager

Minutes
Regular Meeting
10:00 a.m., September 14, 2009
Page 11

ATTACHMENT 1 of 1:

Revenue-Sharing Payments by Funding and Recipient Jurisdictions, FY 2006--FY 2008*

Funding Jurisdiction	Recipient Jurisdiction	Revenue-Sharing Payments		
		FY 2006	FY 2007	FY 2008
Bedford City	Bedford County	\$1,162	\$0	\$15,824
Wythe County	Bland County	\$50,562	\$63,989	\$72,416
Wytheville Town	Bland County	\$9,438	\$11,011	\$12,584
Roanoke County	Botetourt County	\$131,287	\$155,091	\$130,079
Smithfield Town	Isle of Wight County	\$56,591	\$57,188	\$26,644
Windsor Town	Isle of Wight County	\$19,805	\$22,304	\$26,131
Danville City	Pittsylvania County	\$6,288	\$11,178	\$8,272
Botetourt County	Roanoke County	\$13,981	\$14,536	\$17,095
Buena Vista City	Rockbridge County	\$31,153	\$8,868	\$26,069
Washington County	Smyth County	\$0	\$876	\$10,327
Franklin City	Southampton County	\$550,000	\$577,500	\$593,020
Bristol City	Washington County	\$40,621	\$54,066	\$64,119
Wytheville Town	Wythe County	\$9,438	\$11,011	\$12,584
Bedford County	Bedford City	\$752,285	\$663,645	\$663,031
Albemarle County	Charlottesville City	\$9,742,748	\$10,134,816	\$13,212,401
Pittsylvania County	Danville City	\$0	\$3,713	\$38,366
Isle of Wight County	Franklin City	\$1,058,207	\$1,107,450	\$1,212,507
Southampton County	Franklin City	\$77,992	\$68,430	\$66,949
Rockbridge County	Lexington City	\$1,227,014	\$1,466,069	\$1,696,618
Buena Vista City	Lexington City	\$4,362	\$2,419	\$7,110
Campbell County	Lynchburg City	\$100,000	\$961	\$95,779
Montgomery County	Radford City	\$127,574	\$127,220	\$122,342
Pulaski County	Radford City	\$45,199	\$47,671	\$64,293
Roanoke County	Vinton Town	\$198,571	\$498,288	\$345,087
Wythe County	Wytheville Town	\$50,562	\$63,989	\$72,416
	County Total	\$920,326	\$987,618	\$1,015,164
	City Total	\$13,135,381	\$13,622,394	\$17,179,396
	Town Total	\$249,133	\$562,277	\$417,503
	Statewide Total	\$14,304,840	\$15,172,289	\$18,612,063

*

This data profile is based upon documentation obtained from the affected localities and/or their respective audit firms.

Staff, Commission on Local Government