

**MINUTES**  
**Regular Meeting**  
**Commission on Local Government**  
**10:00 a.m., January 12, 2015**  
**The Virginia Housing Center**  
**Henrico Room 2**  
**4224 Cox Road**  
**Glen Allen, Virginia**

**Members Present**

Bruce C. Goodson, Chairman  
Victoria L. Hull, Vice-Chairman  
John G. Kines, Jr.  
John T. Stirrup, Jr.

**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 10:08 a.m. on January 12, 2015 in Henrico Room 2 at the Virginia Housing Center in Glen Allen, Virginia.

**I. Election of Officers for 2015**

Mr. Kines nominated Mr. Goodson for Chair, and the Commission unanimously elected Mr. Goodson as Chair for 2015. **[Mr. Goodson assumed the role of Chair at this point in the meeting.]**

Mr. Stirrup nominated Ms. Hull for Vice-Chair, and the Commission unanimously elected Ms. Hull as Vice-Chair for 2015.

**II. Administration**

**A. Approval of Minutes of the Regular Meeting on November 18, 2014**

Mr. Stirrup made a motion to approve the minutes. Such motion was seconded by Mr. Kines and the Commission unanimously approved the minutes.

**B. Public Comment Period**

The Chair opened the floor to receive comments from the public. No person appeared to testify before the Commission during the public comment period.

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

Referencing an internally produced financial statement that encompassed expenditures through the end of December 2014, or one-half of the year, Mr. Robbins stated that fiscal year-to-date expenditures were 46% of the total allocated amount.

**D. Policy Manager's Report**

Mr. Robbins advised the Commission that Cole Hendrix resigned his seat on the Commission effective December 12, 2014, after his last Commission meeting, and shortly before his term ended. He explained the Mr. Hendrix was required by law to do so, because he was accepting an offer to serve as the interim town manager for the Town of Warrenton.

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

- Pending federal litigation between a developer and Chesterfield County regarding the validity of the cash proffer system, for which a court hearing has been scheduled for January 29<sup>th</sup>.
- The reinstatement of Local-Aid-to-the-Commonwealth, and how the localities with large police departments have been hit especially hard as opposed to localities who rely on Sheriff's departments.
- Potential closure of a second elementary school 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.
- Buena Vista's recent decision to default on bonds used to finance a municipal golf course.
- A pending boundary line adjustment between the Town of Timberville and Rockingham County.
- Washington County's request for 2015 legislation to add the Trammel Property to the Development of Regional Impact designation.
- With respect to staff activities, Commission staff recently attended VML's annual local government finance forum.

**III. Fiscal Stress Report for 2012/2013**

Mr. Lanza opened by providing background information related to the fiscal stress index, explaining that the index illustrates a locality's ability to generate local revenues from its existing tax base relative to the other localities in the State. Mr. Lanza added that this will be the last year that the City of Bedford will be reported, as its reversion to Town status took effect at the end of FY2013. He also noted that this report contains new charts that highlight year-to-year changes in revenue capacity, revenue effort, and median household income. Mr. Lanza then presented the findings within the report.

There was brief discussion regarding the maps at the back of the report, and why transportation districts were chosen as the means to highlight data by region. Ms. Hull noted that transportation funding is not associated with the fiscal stress report. Mr. Lanza stated that regionalizing data by other types of districts was considered, such as PDCs, which were deemed too small; and transportation districts were sufficiently sized to represent regional data. Ms. Hull made a motion to approve the draft report,

subject to adding language in the executive summary to state that data is regionalized by transportation district for illustrative purposes only. Such motion was seconded by Mr. Kines, and the Commission unanimously adopted the report, as amended.

#### **IV. Governor's Task Force for Local Government Mandate Review**

Mr. Robbins advised the Commission that on December 10, 2014, the Task Force for Local Government Mandate Review met in Richmond. At that meeting, JLARC presented their findings and recommendations regarding Line of Duty Act efficiencies. The Task Force also adopted their first report to the Governor, which included the following six recommendations:

- protect local taxation authority,
- consider using other revenue sources such as ineffective tax credits rather than requesting localities to return state aid,
- reinstatement of the first day introduction requirement for bills with local fiscal impact,
- elimination of the State's capture of local fines and fees that are paid to court clerks,
- return funding responsibility to fund teacher retiree healthcare to the State, and
- return funding responsibility for the Line of Duty Act to the State.

He stated that at the next meeting, to be held sometime in May, DPB and DEQ will be invited, to discuss local fiscal impact reviews for regulations, and stormwater regulations, respectively. The group is also looking at creating an institutionalized process to ensure that state-local conversations continue beyond the duration of the Task Force.

#### **V. 2015 General Assembly Session**

Mr. Robbins explained that Governor McAuliffe's proposed FY2016 budget amendments were released on December 17, 2014. He stated that the proposed budget includes no cuts to the Commission or PDCs. Other highlights of the budget that he highlighted included:

- \$30 million in Local-Aid-to-the-Commonwealth, which has been reduced by approximately \$160,000.
- \$150 million to teacher retirement, which should reduce required local contributions.
- No reductions to K-12 funding.
- \$1.5 million to boost the starting pay for deputies.
- \$11.3 million for state-responsible inmates that are housed in local jails.
- \$28 million for localities to replace elections equipment.

He stated that the next major step in the budget process is when the House Appropriations & Senate Finance committees release their versions of the budget on February 8<sup>th</sup>.

Mr. Lanza then stated that the Commission's new fiscal impact review system is ready to begin operation for the 2015 session. He added that the necessary volunteers from local governments have been recruited.

Mr. Conmy then presented multiple bills that have been introduced in the General Assembly, highlighting their potential positive and negative impacts.

**VI. Commending Resolution for Mr. Cole Hendrix**

Next, the Commission considered Mr. Hendrix's commending resolution that was distributed to the members prior to the meeting. Mr. Stirrup moved for approval of the draft resolution, and such motion was seconded by Mr. Kines and was unanimously adopted.

Mr. Robbins indicated that he would invite Mr. Hendrix to the Commission's March meeting for presentation of the resolution.

**VII. Schedule of Regular Meetings**

Mr. Goodson noted that the next meeting of the Commission would be held on March 9, 2015.

**VIII. Adjournment**

Mr. Kines made a motion to adjourn the meeting, which was seconded by Mr. Stirrup, and was unanimously adopted. The meeting was adjourned at 11:35 a.m.

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Bruce C. Goodson  
Chair

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Zachary Robbins  
Local Government Policy Manager