

DRAFT MINUTES
Regular Meeting
Commission on Local Government
10:30 a.m., November 19, 2013
Town Council Conference Room
Second Floor
Front Royal Town Administration Building
102 East Main Street
Front Royal, Virginia 22630

Members Present

John G. Kines, Jr., Chairman
John T. Stirrup, Jr., Vice-Chairman
Harold H. Bannister, Jr.
Cole Hendrix
Bruce C. Goodson

Members Absent

Staff Present

Zack Robbins, Local Government Policy Manager
Ed Lanza, Senior Public Finance Analyst

Call to Order

Commission Chairman John Kines called the meeting to order at 10:38 a.m. on November 19, 2013 in the Town Council Conference Room at the Front Royal Town Administration Building in Front Royal, Virginia.

I. Administration

A. Approval of Minutes of the Regular Meeting on September 9, 2013

Mr. Stirrup made a motion that the minutes of the Regular Meeting on September 9, 2013 be approved. Such motion was seconded by Mr. Bannister, 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.

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C. Presentation of Financial Statement for October 2013

Referencing an internally produced financial statement that encompassed expenditures through the end of October 2013, Mr. Robbins stated that fiscal year-to-date expenditures for personnel were 30% of the total budget and that expenditures on non-personnel were 18%. He also stated that, to date, overall expenditures have amounted to 27% of the total budget for the current fiscal year.

D. Local Government Policy Manager's Report

Mr. Robbins indicated that there have not been any updates related to the possible reversion of the City of Martinsville or the possible voluntary settlement agreement between Smyth County and the Town of Marion. Next, he stated that the City of Bristol and Washington County have communicated an intention to file a revenue sharing agreement for the Commission's consideration by the end of the calendar year.

Mr. Robbins reported that the Town of Clarksville and Mecklenburg County have initiated their case to the Circuit Court and they are waiting for the three judge panel to be appointed.

Mr. Robbins highlighted articles of interest for the Commission. Among the articles were: Henrico County's use of the mandates catalog, the Fairfax County School Board's desire to have taxation authority, a surprise election in the Town of Bedford. Also, he noted a successful boundary line adjustment between the Town of Port Royal and Caroline County, for which staff provided significant technical assistance.

Mr. Robbins stated that the vacant senior policy analyst position has been advertised and will close on November 19. He hopes that the position will be filled by the beginning of the 2014 General Assembly session.

Next, Mr. Robbins reported that he attended the Virginia Association of Planning District Commission's semi-annual luncheon, which was hosted by DHCD. In addition, staff has been working with the Virginia Geographic Information Network (VGIN) staff at VITA to develop a process for VGIN to maintain a GIS layer for displaying local government boundaries. The

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process will require coordinating the dissemination of information from the Secretary of the Commonwealth and the Commission to VITA.

Mr. Robbins stated that he met with staff from the US Census Bureau before the federal government shutdown to assist in the Census of Governments. This census is conducted every five years, in order to get an accurate count on the number of local government entities.

Mr. Robbins and Mr. Lanza met with JLARC staff regarding a study on school consolidations. The study came about with budget language as a result of the incentive payments that came from the Bedford reversion.

Mr. Robbins was joined by Mr. Kines and Mr. Stirrup at the VACo annual conference. Mr. Robbins and Mr. Kines provided an overview of Commission activities over the last year. At this same session, Mr. Pat Herrity provided an update on activities of the Governor's Task Force for Local Government Mandate Review.

II. Presentation of Commending Resolution to Ms. Wanda C. Wingo

Mr. Kines stated that the presentation to Ms. Wingo would occur at a later date.

III. 2013 Cash Proffer Survey and Report (Draft)

Mr. Robbins stated that the Commission is directed to survey all localities that are eligible to collect cash proffers and have a population of over 3,500, with respect to their revenues and expenditures of cash proffers. He indicated that 298 localities are eligible to collect proffers but only 162 are required to report. He said that the survey was sent in July and the deadline for responses was September 30. Mr. Robbins noted that after follow-up requests, a 100% response rate was achieved, as has been achieved since the report's inception. He indicated that 37 localities reported that they collected cash proffers in FY 2013, which is down from 38 in FY 2012. Cash proffers were collected in 27 counties, 7 cities, and 3 towns. Total collections in FY 2013 were \$83.5 million, which was a 37.4% increase from FY 2012. Expenditures equaled \$51.4 million, which was a 15.9% increase over FY 2012. Next, Mr. Robbins reported that 31% of proffer expenditures were used for transportation purposes and 30% for schools. He indicated that the heaviest proffer activity was in Loudoun County,

followed by Prince Williams, Fairfax, and Chesterfield Counties. He concluded by stating that total collections are the highest ever reported.

In response to a question by Mr. Bannister, Mr. Stirrup stated that one of the projects contributing to the large balance for Loudoun County is the Green Vest project along Route 50. Mr. Robbins stated that localities must spend cash proffer funds within 12 years of receipt.

Mr. Bannister made a motion that the 2013 Cash Proffer Report be approved. Such motion was seconded by Mr. Goodson, and the Commission unanimously approved the report.

IV. Report of the Task Force for Fiscal Impact Review (Draft)

Mr. Lanza opened by stating that the draft report had undergone significant technical edits since it had been forwarded to the Commission. Additionally, he stated that an edit to the code language was being considered by the task force. The edit to the code language came from a meeting that Mr. Lanza had with the Department of Planning and Budget.

Mr. Lanza continued by explaining the recommendations of the task force. First, he stated that the task force recommended that a change be made to Section 30-19.03 of the Code of Virginia to allow the Department of Planning and Budget and the Department of Taxation to forward legislation to the Commission on Local Government for local fiscal analysis. Next, he said that the task force recommended that the Commission should solicit input from Virginia's professional organizations in addition to local governments. Mr. Lanza reported that the task force also recommended that the Commission should develop a web-based application with DHCD for approximately \$35,000 that would allow for staff to complete a fiscal impact statement in a shorter amount of time. The task force recommended that the Commission should be allowed to contract for help at \$30,000 per year during General Assembly to handle an increased workload. Another recommendation of the task force was for bills to be introduced no later than the first day of General Assembly session in order to allow for more time for local analysis.

Next, Mr. Lanza provided an overview of the proposed process. In response to a question from Mr. Hendrix, Mr. Lanza stated that the report is due to the Senate Finance and House Appropriations committees by December 1, 2013. In response to a question from Mr.

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Bannister, Mr. Lanza said that the suggested edits to the code language will be forwarded to Delegate Landes and then go through the bill drafting process.

Mr. Bannister made a motion to approve the Report of the Task Force for Fiscal Impact Review with its technical edits be approved. Such motion was seconded by Mr. Hendrix, and the Commission unanimously approved the report.

V. Report of the Task Force on Concurrent Town-County Police Powers

Mr. Robbins stated that HB 1535 was introduced at the 2013 General Assembly with the intent of clarifying how powers granted to localities are to be applied within towns. He said that there exists some confusion as to whether a town's ordinance can supersede a county ordinance, and whether a county ordinance can be applicable within a town. He continued by saying that the House Counties, Cities, and Towns Committee took no action on the legislation in 2013, but its Chairman requested the Commission on Local Government staff to convene a task force consisting of local government attorneys to further study the proposed language and make recommendations regarding any need for legislative action. He further stated that the task force was comprised of four county attorneys, four town attorneys, and the attorneys for VACo and VML.

Mr. Robbins reported that the task force found several issues with the proposed legislation. He explained that the legislation called for universal application and that the task force felt that these measures do not apply equally to urban and rural communities. He noted that the bill was meant to handle police powers, but the task force could not agree on the definition of "police powers." As a result, the task force recommended that no legislative action should be taken, although one member provided a dissenting opinion. They are also open to reconvening if future local government concerns arise.

VI. Fiscal Stress Report for 2011/2012

Mr. Lanza indicated that the fiscal stress index is nearing completion. He reported that the only information missing is median household income data. While he believes that the federal government shutdown will likely delay the publication of that data, Mr. Lanza still believes that he will be able to present the report to the Commission at their meeting in

January.

VII. Governor's Task Force for Local Government Mandate Review

Mr. Robbins stated that the task force most recently met in Richmond on November 1. He indicated that the task force drafted a resolution asking the General Assembly to introduce legislation no later than the first day of session. He also said that the resolution has been forwarded to local governments and the task force is asking them to adopt it as well. He also stated that the task force is concerned with the new GASB standards that will require them to record pension obligations on their balance sheets. Next, he said that the task force passed a resolution to urge the General Assembly to pay the state share of retirement directly to VRS instead of funneling it through local channels, which would keep some of the obligation off the local books. Mr. Robbins also stated that the task force wants to urge the General Assembly to put more local representation on the VRS Board. Finally, he noted that the task force wishes to better define a future purpose for the task force, and to extend its authority beyond the sunset date in 2014. The next meeting of the task force is on February 19 and will be held in Richmond.

VIII. Schedule of Regular Meetings

Mr. Robbins presented the proposed meeting schedule for 2014, as included on the Commission's agenda. Mr. Hendrix made a motion to adopt the meeting schedule, with an amendment to move the January meeting date from the 13th to the 6th. Such motion was seconded by Mr. Bannister, and the Commission adopted the following schedule unanimously:

- a. Monday, January 6, 2014
- b. Monday, March 10, 2014
- c. Monday, May 12, 2014
- d. Monday, July 14, 2014
- e. Monday, September 8, 2014
- f. Monday, November 17, 2014

IX. Upcoming Events of Interest

Mr. Robbins stated that the VML/VACo Local Government Day would occur on February 6, 2014.

X. Adjournment

Mr. Goodson made a motion to adjourn the meeting, which was seconded by Mr. Stirrup, and unanimously adopted. The meeting was adjourned at 11:51 a.m.

John G. Kines, Jr.
Chairman

Zachary Robbins
Local Government Policy Manager