

**MINUTES**  
**Regular Meeting**  
**Commission on Local Government**  
**10:00 a.m., May 9, 2017**  
**Virginia Housing Center**  
**Board Room**

**Members Present**

Diane M. Linderman, Chair  
Kimble Reynolds, Jr., Vice-Chair  
R. Michael Amyx  
Bruce C. Goodson  
Victoria L. Hull

**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, Ms. Diane M. Linderman, called the regular meeting to order at 10:04 a.m. Ms. Linderman also took this time to introduce the newest member of the Commission, Mr. Mike Amyx, who shared additional remarks on his familiarity with the Commission's work.

**I. Administration**

**A. Approval of Minutes of Oral Presentations and Public Hearing on March 13, 2017; and the Regular Meeting on March 14, 2017**

Ms. Vickie Hull had one correction on page two of the regular meeting minutes to restructure a sentence. Ms. Hull then made a motion to approve the regular minutes with an amendment and to approve the minutes from the oral presentations and the public hearing in March. The motion was seconded by Mr. Bruce Goodson to approve the minutes; the motion was unanimously approved.

**B. Public Comment Period**

Ms. Linderman opened the floor to receive comments from the public in attendance. Mr. Erik Johnston, Chief Deputy Director of the Virginia Department of Housing and Community Development (DHCD), came to the meeting to introduce himself to the Commission in his newly appointed role within the agency. No additional comments from the public were received; the public comment period was then closed.

**C. Presentation of Financial Statement for February 2017**

Referencing an internally produced financial statement that encompassed expenditures through the end of April 2017, Mr. David Conmy stated that the report represents 75% of FY 2017 and that the Commission is trending 10% over budget. Mr. Conmy said that based on his discussion with the fiscal office, the Commission will end with a balanced budget. There was discussion on particular line items and the Commission requested staff to seek clarification on a few budget items. Ms. Linderman questioned would there be a new budget for the upcoming fiscal year. Mr. Conmy responded that since funding levels were not affected, there would not be a new budget until the next biennium.

**D. Policy Administrator's report**

Mr. Conmy shared that staff has been attending workgroups with several stakeholders about early warning detection of local government fiscal distress. Staff will also be presenting to the Joint Subcommittee on Local Government Fiscal Stress on June 15<sup>th</sup>. Mr. Conmy shared that staff helped facilitate the first GO Virginia Orientation Conference with approximately 300 attendees from across the state, including members of the Regional Councils, economic development professionals, and members of the Legislature. Staff also received questions from a constituent in reference to the Charlottesville-Albemarle Revenue Sharing Agreement. In regards to potential cases, staff received a phone call from a county attorney regarding the possibility of using the Voluntary Settlement Agreement provisions to address a unique local issue. Such inquiry was for informational purposes and no case regarding such a topic has yet to be more formally discussed. Mr. Conmy then reviewed several news articles of interest with the Commission.

**II. Report on the City of Covington – Alleghany County Voluntary Economic Growth-Sharing Agreement**

**A. Staff Presentation**

Staff presented an overview of the report on the City of Covington – Alleghany County Voluntary Economic Growth-Sharing Agreement to the Commission. It was included in the report that staff followed a review schedule to align with other mandatory reviews of cases, as done in the past, even though it was not required by statute. Staff also noted that this review of the case was under the assumption that the agreement complies with all other statutory standards.

Staff concluded that the Commission is supportive of the agreement and commends the localities for instituting an alternative for revenue sharing. Staff also made a small number of recommendations to include: ensuring that base value tax is defined, including a mediation provision, and removing the provision of records to be sent to the Commission.

**B. Commission Deliberation and Action**

The Commission members had minor grammatical suggestions but were overall pleased with the outcome of the report. Ms. Hull made a motion to approve the report with discussed changes and Mr. Kimble Reynolds

seconded the motion. There was a 4-0-1 vote to approve the report with Mr. Amyx abstaining, since he was not present for the regular and special meetings of the Commission, the site visit to the localities, or the public hearing and oral presentations.

**III. Fiscal Stress Report for 2014/2015**

Mr. Ali Akbor updated the Commission that the City of Hopewell was still delinquent in submitting their financial report to the Auditor of Public Accounts (APA). Based on action taken at the last meeting, staff compiled and sent a letter on March 24<sup>th</sup> to the city about the negative impact of their delay in submitting their financial statement. After some discussion, Ms. Linderman proposed scheduling a conference call with herself, staff, and the city to see when they would be submitting to the APA; the commission members unanimously agreed.

**IV. 2017 General Assembly Session – Reconvened Session**

Mr. Conmy gave an update from the reconvened session of budget outcomes that affect DHCD programs and two items of interest to the Commission. As mentioned previously, the Commission has been included in a workgroup convened to help develop an early warning detection system for fiscally distressed localities. This workgroup also includes stakeholders from a variety of state agencies and has included guests such as representatives from the PEW Charitable Trusts, who have provided nationwide reports on state monitoring of local fiscal stress. Such a system would be organized so that the APA would notify the Governor, House Appropriations, Senate Finance, and the governing body if fiscal stress was detected in a certain locality. An appropriation of \$500,000 was made in each fiscal year to assist with technical review of the locality's finances at its request. The Joint Subcommittee on Local Government Fiscal Stress was also formed. Again, as mentioned previously, the Commission will be presenting at the initial meeting on June 15<sup>th</sup>. The goals and objectives of this committee is to look at regional cooperation and consolidation of services, causes of fiscal stress among local governments, state mandates on localities, incentives and reforms for regional cooperation, and the differing taxing authorities of cities and counties.

**V. 2017 Survey of Cash Proffers – Survey Instrument**

**A. Preliminary Staff Comment**

Ms. Kristen Dahlman presented the survey instrument for the 2017 Cash Proffer Survey. Ms. Dahlman stated that the survey would be sent out on July 1<sup>st</sup> and the localities would have until September 30<sup>th</sup> to respond. It was staff's recommendation to send the survey by electronic means only this year. Ms. Dahlman noted that recent changes to cash proffer legislation have determined certain categories of proffers are considered unreasonable. Although these categories are still considered unreasonable, Ms. Dahlman proposed keeping the categories listed in the survey because the current provisions for cash proffers under the Code of Virginia state that localities have 12 years to start progress on a project from the date that it was collected. Ms. Dahlman did note that anecdotally, many localities have already changed their cash proffer policies to reflect the changes in legislation.

**B. Commission Deliberation and Action**

Mr. Goodson motioned to approve the survey and the means for the survey to be delivered electronically. Ms. Hull seconded the motion and it was unanimously approved.

**VI. Periodic Review: Commission on Local Government Regulations**

**A. Preliminary Staff Comment**

Mr. Conmy stated that a periodic review of the regulations are required every four years, pursuant to Executive Order 17, and that the last completed review was in 2013. Mr. Conmy gave a brief overview of the review process and presented a schedule for the approval process. Mr. Conmy asked that the Commission review the regulations prior to the July meeting. Once a schedule is approved, staff would create an open comment period in the Virginia Register. These comments would be reviewed, along with any other recommendations presented by Commissioner's and staff at the July meeting. The Commission would then choose to either retain, amend, or repeal the regulations.

**B. Commission Deliberation and Action**

Mr. Goodson made a motion to approve the schedule for the periodic review of the regulations. Ms. Hull seconded and the motion was unanimously approved.

**VII. Annexation Study**

Mr. Conmy gave an update to the Commission stating that the next meeting of the Annexation study will be Wednesday, June 7<sup>th</sup> at the Virginia Housing Center at 1:00 p.m. This meeting will include a presentation from Mr. Akbor on his analysis of mandated services to localities. Staff will also present an outline of the report to the stakeholders and work to refine the recommendations. Based on discussion and the newly elected officers, it was noted that Mr. Reynolds will replace Ms. Hull as Co- Chair of the study, alongside Ms. Linderman.

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

Mr. Conmy stated that the most recent report from the Task Force was included in the packet. The recommendations were very high level and brief. The Task Force is planning to have another meeting in late July or early August to discuss budget recommendations for the Governor's final budget.

**IX. Commending Resolution for Mr. John Stirrup**

**A. Staff Presentation**

Based on the recommendation from the last meeting regarding Mr. John Stirrup's resolution, Mr. Conmy presented an amended resolution that also included a listing of cases that Mr. Stirrup presided over as chairman. Mr. Conmy stated that it would be best to keep the resolutions uniform, but the addition of cases presided over during a chairman's tenure could be an addition to the current template for future resolutions.

**B. Commission Deliberation and Action**

Ms. Hull moved to adopt the resolution as presented and Mr. Reynolds seconded. The motion was unanimously approved.

**X. Other**

Ms. Linderman asked was there any other business for the Commission to discuss. There appeared to be no additional items for consideration.

**XI. Schedule of Regular Meetings**

Ms. Linderman noted that the next meeting would be held on July 11, 2017, in the Board Room at the Virginia Housing Center in Glen Allen, Virginia.

**XII. Upcoming Events of Interest**

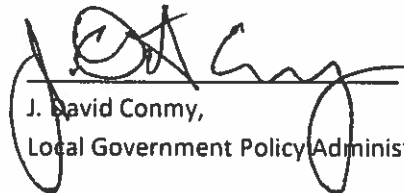
Ms. Linderman reviewed upcoming dates and events of interest for the Commission.

**XIII. Adjournment**

By consensus of the Commission, Ms. Linderman called the meeting adjourned at 11:54 a.m.



Diane Linderman,  
Chair



J. David Conmy,  
Local Government Policy Administrator