

MINUTES

COMMISSION ON LOCAL GOVERNMENT

Regular Meeting

10:00 a.m., January 10, 2005

Members Present

John G. Kines, Jr., Chairman
Harold H. Bannister, Jr., Vice Chairman
James J. Heston (Continuing Member)
Geline B. Williams

Members Absent

Kathleen K. Seefeldt

Others Present

Ted McCormack, Associate Director
Steve Ziony, Principal Economist
Larry McMillan, Senior Policy Analyst
Barbara Johnson, Executive Secretary

Call to Order

The Chairman called the meeting to order at 10:00 a.m., January 10, 2005 in the Board Room of the Department of Housing and Community Development in Richmond.

I. Election of Officers for 2005

Mr. Kines and Mr. Bannister were re-elected to serve the Commission as Chairman and Vice Chairman, respectively, for 2005 since they only served a partial term during 2004.

II. Administration

A. Approval of Minutes of Regular Meeting of November 11, 2004

The minutes of the Commission's regular meeting of November 11, 2004 were approved without amendment.

B. Presentation of Financial Statement for December 2004

The Associate Director reported that the member's packet for the current meeting included a copy of an internally produced financial statement covering the Commission's activities through December 2004. He reported that the financial statement contained data for six months, or approximately one-half of the fiscal year and that the document showed agency expenditures of approximately \$156,000 or 46.8% of appropriations. The Commission accepted the financial report for filing.

C. Associate Director's Report

1. Retirement of Larry McMillan

The Associate Director advised that he was saddened to report that Larry McMillan, the Commission's Senior Policy Analyst, will retire at the end of February 2005. Mr. McCormack noted that Mr. McMillan began working with the Commission in January 1992 as a part-time employee, and was elevated to full-time status in November 1996. He indicated that Mr. McMillan has been responsible for a number of reports issued by the Commission, such as the Catalog of Mandates and the Cash Proffer Report, and for many years has been the principal aide to the Associate Director in the analysis of interlocal boundary change issues. Mr. McCormack concluded that the skills and knowledge of Mr. McMillan would create a vacuum extremely difficult to fill. At the conclusion of the Associate Director's presentation, the Commission

directed that a resolution of appreciation be prepared for their review and presentation to Mr. McMillan.

2. Reappointment of Mr. Heston

The Associate Director reported that the term of office for Commissioner Heston expired at the end of December 2004, but that the staff has not received any information with respect to his reappointment or replacement. Mr. McCormack indicated, however, that Mr. Heston was eligible to continue to participate in the Commission's deliberation with respect to the Town of Stephens City – Frederick County voluntary settlement agreement.

3. Meeting Per Diem

The Associate Director stated that in accordance with the Commission's Policy on Compensation and Reimbursement, the following members were entitled to per diem for the date indicated due to their attendance at Conflict of Interest Training in Richmond:

December 14, 2004 – Commissioners Kines, Heston, and Williams.

The Commission authorized payment of per diem for the specified dates in accordance with the report of the Associate Director.

4. Revision of Commission Regulations

The Associate Director indicated that the proposed revisions to the Commission's Public Participation Guidelines and Regulations were approved without substantive recommendations by the Department of Planning and Budget by the middle of December 2004. He noted that at

the present time, those documents are awaiting approval by the Secretary of Commerce and Trade and the Governor's office. Mr. McCormack stated that if those approvals are received in time, it may be possible for the Commission to hold the public hearing on the proposed regulations in conjunction with the March regular meeting.

5. Staff Presentations

The Associate Director advised that he has been asked to speak at the Virginia Association of Counties Chairperson's Institute on February 4, 2005 in Richmond on the topic of intergovernmental relations.

III. Catalog of Mandates

A. Preliminary Staff Comment

Mr. McMillan noted that he had devoted a considerable amount of time over the past month in the preparation of the annual catalog of State and federal mandates on local governments that is produced under the auspices of the Commission. He noted that a draft of the document is completed and could be released to the public upon final approval from the Governor's office of the mandate assessment schedule for the upcoming review period. He stated, however, that he wanted to review with the members pertinent excerpts from the forthcoming catalog that had been mailed to the Commission in advance of the current meeting. He discussed with the members the proposed changes from the preceding edition and observed that the forthcoming report would reflect a net decrease of 12 mandates administered by executive agencies of the Commonwealth. He stated that the net decrease of 12 mandates resulted

principally from programs being eliminated by action of the General Assembly or combined, at the request of the administering agency, with other programs. In closing, Mr. McMillan requested the Commission's authority to release the report for public distribution.

B. Commission Deliberation and Action

The Commission discussed generally the staff's oversight of State Mandates. Mr. Bannister requested that the cover of the forthcoming catalog contain the Internet web address of the Commission, and further, that an announcement concerning the reports publication be sent to the media and the National League of Cities and the National Association of Counties. In addition, the Commission gave Mr. McMillan the authority to make any needed stylistic changes to the catalog prior to publication. Moreover, the members agreed that the catalog should be published as soon as possible after the receipt of the Governor's approval of the pending mandate assessment schedule.

IV. Staff Legislative Activities for 2005

The Associate Director stated that over the next 45 days the Commission's staff would be engaged in two principal activities with respect to the 2005 General Assembly Session. Mr. McCormack advised that one of those activities was the preparation of fiscal impact statements on any proposed legislation that would mandate a new or expanded local government service or which would restrict a local government revenue resource. He noted that the bills to be reviewed would be selected by the Division of Legislative Services and that the legislation of highest priority would be distributed to a cadre of 20 counties and 8 cities for input on the potential impact. He stated that once the

information from the localities was received, the Commission's staff would synthesize the local data and prepare a consolidated impact statement that is then forwarded to the Clerk of the House of Delegates for appropriate distribution. He observed that the completed fiscal impact statement would be posted on the Legislative Information System. Mr. McCormack also advised that the Commission's staff would track legislation for the Governor's Policy Office, which involved preparation of an initial written analysis of each assigned bill. He noted that last year, approximately 65 pieces of legislation were followed for the Governor. The Associate Director indicated that to date, there has been no legislation introduced affecting the Commission or its areas of responsibility, but if such was introduced that the staff would advise the members as soon as possible. In closing, he advised that the staff would send the members periodic reports on legislation of particular interest to the Commission.

V. Fiscal Stress Report for 2002-2003

A. Status Report

Mr. Ziony advised the members that he had completed the analysis of the comparative fiscal condition of Virginia's counties and cities for the 2002-2003 fiscal year, and he distributed a set of tables to the Commission that portrayed the most recent calculations. At the request of the Chairman, Mr. Ziony briefly reviewed the principal findings with respect to revenue capacity, revenue effort, and fiscal stress. He indicated that since approximately 12 state agencies employ a component of fiscal stress in the distribution formulas for grants and loans, he had recently forwarded to those agencies the most recent set of fiscal stress statistics. Mr. Ziony stated that he would present a draft of the complete fiscal

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stress report to the Commission at the March regular meeting. After a brief discussion of the fiscal stress methodology, the members thanked Mr. Ziony for his report.

VI. Scheduling of Next Regular Meeting

The next regular meeting was scheduled for March 14, 2005 at 10:00 a.m. at the Commission's offices in Richmond, Virginia.

VI. Adjournment

The meeting was adjourned at 11:43 a.m.

John G. Kines, Jr.
Chairman

Ted McCormack
Associate Director