

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
November 9, 2011

The Henrico County Board of Supervisors convened a special meeting on Wednesday, November 9, 2011 at 5:00 p.m. in the County Manager's Conference Room, Administration Building, Henrico County Government Center, Parham and Hungary Spring Roads, Henrico, Virginia.

Members of the Board Present:

Frank J. Thomson, Chairman, Fairfield District
Richard W. Glover, Vice Chairman, Brookland District
James B. Donati, Jr. Varina District
David A. Kaechele, Three Chopt District
Patricia S. O'Bannon, Tuckahoe District

Other Officials Present:

Virgil R. Hazelett, P.E., County Manager
Joseph P. Rapisarda, Jr., County Attorney
Rhysa G. South, Senior Assistant County Attorney
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Deputy Clerk to the Board/Administrative Assistant
George T. Drumwright Jr., Deputy County Manager for Community Services
Angela N. Harper, FAICP, Deputy County Manager for Special Services
Leon T. Johnson, Ph.D., Deputy County Manager for Administration
Robert K. Pinkerton, P.E., Deputy County Manager for Community Operations
John A. Vithoulkas, Director of Finance/Special Economic Advisor to the County Manager
Tamra R. McKimney, Director of Public Relations & Media Services
Steven W. Knockemus, Assistant Director of Public Relations & Media Services
C. Michael Schnurman, Jr., Legislative Liaison

Mr. Thornton called the meeting to order at 5:10 p.m.

Mr. Hazelett briefly referred to the items on the special meeting agenda. He noted that the second closed meeting item listed on the agenda would need to be discussed in open session in light of additional information received by staff.

Preliminary Budget Briefing

Mr. Hazelett advised the Board that he had given a 90-minute overview of the FY 2012-13 budget to the County's department heads and school administration at the previous week's pre-Board meeting. He explained that the FY 2012-13 budget may impact discussions that will come up at the Board's November 10 meeting with its legislative delegation. Mr. Hazelett expressed pride in

the County's ability to maintain services during the recession but cautioned that next year's budget will be exceedingly more difficult than the current year's budget. The County's fixed costs are rising while its revenues are declining. There are a number of unknown variables with respect to the FY 2012-13 budget, including Virginia Retirement System (VRS) employer rates for teachers.

After providing the foregoing introduction, Mr. Hazelett narrated a slide presentation titled *FY 2012-13 Budget Update*. During his presentation, Mr. Hazelett reviewed the following: where the County has been in terms of real estate revenues, state revenues, and other revenues; local real estate trends; the County's five-year assessment history; VRS Board certified employer rates; why this budget will be difficult; and the County's projected revenue decreases (\$10.8 million), incremental expenditure costs (\$60 million), and current budget shortfall (\$70.8 million) as it begins the FY 2012-13 budget process. He concluded his presentation by advising the Board that he will be meeting with department heads on the budget approximately every other week until the budget process is completed. A smaller budget committee will also be meeting regularly. Mr. Hazelett remarked that the County has been successful to date in changing the way it does business. He pointed out that the County does not know at this time how actions by the General Assembly will affect the County's FY 2012-13 budget.

Following his presentation, Mr. Hazelett responded to questions from the Board concerning the projected budget shortfall. He assured Mr. Thornton that staff will tackle the shortfall and he will provide the Board with further updates as more information becomes available. He confirmed that the current projected shortfall is the largest that the County has ever faced. There was discussion by Mr. Hazelett and the Board pertaining to the impact on the County should the General Assembly eliminate the business, professional, and occupational License tax (BPOL) as a local revenue source. There was also discussion relating to the County's House Bill 599 funding, operating costs associated with renovations to Henrico High School, and debt service on the County's general obligation bond referendum projects.

Acquisition of Real Property in the Varina District for Recreation Uses

Mr. Hazelett reiterated that this item, which was originally scheduled for closed meeting discussion, would be presented and discussed in open session. Mr. Donafi read a prepared statement declaring his personal interest in a transaction involving the County's acceptance of a gift of real property containing 1.642 acres from the Windsor Club of Elko, located at 6216 White Oak Road for \$1 consideration. The County will improve the facility and operate the property for recreational purposes, subject to the terms and conditions set forth in a Memorandum of Understanding between the parties. The Board, as part of a May 2011 budget amendment, appropriated \$370,000 for the capital improvements and \$80,000 for operating expenses. Mr. Donafi's personal interest consists of his status as one of approximately 170 shareholders of the club.

Neil Luther, Director of Recreation and Parks, narrated a slide presentation on this item. During his presentation, Mr. Luther reviewed the property's location and site map, the history of the club, photographs of the exterior and interior features of the Elko Community Center facility currently owned and operated by the club, and the provisions contained in the proposed

Memorandum of Understanding. He responded to questions from Mr. Kaechele regarding the future name of the community center and the preservation of its sign. Mr. Rapisarda advised that staff plans to bring the Memorandum of Understanding back to the Board for formal approval at the Board's November 22 regular meeting.

The Board recessed for dinner at 5:58 p.m. and reconvened at 6:11 p.m.

On motion by Mrs. O'Bannon, seconded by Mr. Glover, the Board approved going into a Closed Meeting at 6:12 p.m. for the following purpose:

Consultation with the County Attorney Pertaining to Actual Litigation
Styled *Teasia Boyd v. Shameka Bradley et al.*, Pursuant to Section 2.2-
3711(A)(7) of the Code of Virginia, 1950, as Amended.

The vote of the Board was as follows:

<u>Aye</u>	<u>Nay</u>
Frank J. Thornton	
Richard W. Glover	
James B. Donati, Jr.	
David A. Kaechele	
Patricia S. O'Bannon	

On motion of Mrs. O'Bannon, seconded by Mr. Kaechele, the Board approved going out of the Closed Meeting at 6:30 p.m.

The vote of the Board was as follows:

<u>Aye</u>	<u>Nay</u>
Frank J. Thornton	
Richard W. Glover	
James B. Donati, Jr.	
David A. Kaechele	
Patricia S. O'Bannon	

On motion of Mr. Kaechele, seconded Mr. Glover the Board approved the attached Certificate of Closed Meeting.


The vote of the Board was as follows:

<u>Aye</u>	<u>Nay</u>
Frank J. Thomton	
Richard W. Glover	
James B. Donati, Jr.	
David A. Kaechele	
Patricia S. O'Bannon	

Mr. Hazelett reviewed the agenda for the 7:00 p.m. regular meeting. Mr. Rapisarda commented on the format and purpose of the two public hearings that will be held simultaneously on the resolution to approve the issuance of bonds by the Harrisonburg Redevelopment and Housing Authority for the Oakmeade Apartments. Mr. Pinkerton responded to a question from Mr. Donati concerning the resolution to amend the contract for engineering design services for the Creighton Road Improvements Project.

At Mr. Hazelett's request, Mr. Schnurman reviewed the agenda and format for the Board's upcoming November 10 dinner meeting with the County's General Assembly delegation. Mr. Hazelett and Mr. Schnurman responded to questions and comments from the Board pertaining to the contents of the staff presentation at the dinner meeting, the County's relationship with the delegation, and the County's strategy for addressing a proposed state constitutional amendment that would potentially require local governments to compensate business owners for operational as well as property losses resulting from the taking of private property for public improvements such as road or utility projects. At Mr. Thornton's request, Mr. Hazelett agreed to provide a printed agenda for the November 10 dinner meeting. Mr. Hazelett advised that time can be reserved at the meeting after presentation of the 2012 Legislative Program for the discussion and consideration of other items of interest to the Board.

There being no further business, the meeting was adjourned at 6:46 p.m.



Chairman/Board of Supervisors
Henrico County, Virginia