

COUNTY OF HENRICO, VIRGINIA  
BOARD OF SUPERVISORS  
SPECIAL MEETING  
November 10, 2011

The Henrico County Board of Supervisors convened a special meeting on Thursday, November 10, 2011 at 4:30 p.m. in the County Manager's Conference Room, Administration Building, Henrico County Government Center, Parham and Hungary Spring Roads, Henrico County, Virginia.

**Members of the Board Present:**

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

**Members of the General Assembly Present:**

A. Donald McEachin, Senate of Virginia, 9<sup>th</sup> District  
Walter A. Stosch, Senate of Virginia, 12<sup>th</sup> District  
Peter F. Farrell, House of Delegates, 56<sup>th</sup> District  
Riley E. Ingram, House of Delegates, 62<sup>nd</sup> District  
G. Manoli Loupassi, House of Delegates, 68<sup>th</sup> District  
James P. (Jimmie) Massie, III, House of Delegates, 72<sup>nd</sup> District  
Jennifer L. McClellan, House of Delegates, 71<sup>st</sup> District.  
Joseph D. Morrissey, House of Delegates, 74<sup>th</sup> District  
John M. O'Bannon, III, House of Delegates, 73<sup>rd</sup> District

**Other Officials Present:**

Wade A. Kizer, Commonwealth's Attorney  
Yvonne G. Smith, Circuit Court Clerk  
Michael L. Wade, Sheriff  
Virgil R. Hazelett, P.E., County Manager  
Joseph T. (Tom) Tokarz, II, Deputy County Attorney  
George T. Drumwright, Jr., Deputy County Manager for Community Services  
Angela N. Harper, FAICP, Deputy County Manager for Special Services  
Leon T. Johnson, Deputy County Manager for Administration  
Robert K. Pinkerton, P.E., Deputy County Manager for Community Operations  
Randall R. Silber, Deputy County Manager for Community Development  
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board  
Tanya B. Harding, Deputy Clerk to the Board  
C. Michael Schnurman, Jr., Legislative Liaison  
Wilbert J. (Bert) Childress, Technology Support Specialist, County Manager's Office

John A. Vithoukias, Director of Finance/Special Economic Advisor to the County Manager  
Edward W. Trice, Revenue Division Director  
Eugene H. Walter, Management and Budget Division Director  
Brandon W. Hinton, Budget Supervisor  
Paula G. Reid., Director of Human Resources  
Timothy A. Foster, Director of Public Works  
Lt. Col. Douglas A. Middleton, Chief of Police  
Paul M. Gidley, County Planner III  
Karla W. Boughey, Legislative Assistant, 12<sup>th</sup> Senate District  
Linda Gross, Legislative Assistant, 68<sup>th</sup> House District

Mr. Thornton called the meeting to order at 4:49 p.m. He welcomed the members of the County's legislative delegation who were present.

Mr. Thornton recognized Mr. Hazelett, who briefly referred to the content and format of the meeting.

#### **Dinner Briefing on 2012 County Legislative Program with General Assembly Delegation**

Mr. Hazelett recognized Mr. Schnurman, who provided background information on the County's 2012 Legislative Program. Mr. Schnurman referred to "The Henrico Way" of conducting the public's business and advised that the County is not requesting the delegation to carry any legislation this year but is simply asking that the General Assembly "do no harm" to the County. He alluded to County concerns regarding the Virginia Retirement System (VRS), road maintenance, and parallel local ordinances, and he mentioned areas where the County could absorb costs.

Mr. Schnurman recognized Mr. Vithoukias, who noted the impact of the economy on the County's budget and revenues. Mr. Vithoukias pointed out that the County has been able to navigate through the difficult economic downturn because it has been better prepared than other localities and has changed the way it conducts its day-to-day business operations. He further advised that the upcoming fiscal year will be the most difficult in the County's proud history. Mr. Vithoukias narrated the first portion of a slide presentation on the 2012 County Legislative Program by providing an update on the local economy. During this update, he reviewed graphs and charts that addressed gross national product (GNP) growth, unemployment rates, housing market and local real estate trends, a five-year history of County real estate assessments, historical tax base changes, sales tax and other local revenues, the County's FY 2011-2012 general fund budget revenues and expenditures, and a breakdown of the County's state revenues. He, Mr. Drumwright, and Mr. Glover responded to questions from the legislative delegation. Mr. Hazelett advised the delegation that staff would write down any questions for which it did not have an immediate answer and respond back to the delegation by letter subsequent to this meeting. Delegate Morrissey asked for information highlighting how much the County spends per pupil for public education in local and state funds.

Mr. Hazelett briefly paused the presentation to recognize Chef Winslow Goodier, the Culinary Arts Instructor for Hermitage Technical Center, whose students had prepared and were serving the dinner for this meeting. He advised that the students had provided dinner the previous

evening at meetings held by both the Henricus Education Foundation and the Metropolitan Richmond Sports Backers. The following students who were present introduced themselves and identified their home schools: Michelle Ampah (Hermitage), Kiara Blackman (Glen Allen), Kelly Brown (Tucker), Andrea Chicas (Hermitage), Mildres Cano Moralez (Hermitage), Erin Towles, (Hermitage), and Jonathan Williams (Henrico). Chef Goodier announced the menu and thanked the County for the opportunity to involve his students once again in the County's annual dinner meeting with its state legislators.

During dinner, Mr. Vithoukas narrated the next portion of the presentation by focusing on Henrico's journey through the recession. He reviewed slides addressing comparative citizen/position ratios in selected localities, the County's fiscal policy and adherence to the five percent increment; how the County is changing the way it does business, the status of 2005 general obligation bond referendum projects, other localities that increased real estate tax rates during the recession, and Henrico's debt. Mr. Vithoukas summarized this journey by noting that the County took a prudent fiscal approach going into the recession, instituted aggressive cost containment measures, completed funding for all projects approved by the voters in the March 2005 general obligation bond referendum, maintained its AAA general obligation bond rating with all three rating agencies even after the downgrade of the United States, and did not increase real estate taxes.

Mr. Vithoukas continued his presentation by taking a preliminary look at the County's FY 2012-13 budget. He explained why this budget may be the most difficult yet, offered a revenue summary, examined state funding, reviewed a spreadsheet listing VRS Board certified employer rates, and identified decreased revenues and total incremental expenditures contributing to the County's current budget shortfall of \$70.8 million. He and Mr. Hazelett responded to questions from the legislative delegation relating to County budgetary issues. There was discussion between Delegate Massie and Mr. Hazelett concerning actions taken by other localities in the region to address revenue shortfalls.

Mr. Vithoukas next addressed VRS, one of the topics requested by legislators. He reviewed graphs and tables addressing VRS total membership, benefit comparisons, retirement contribution rates, historical funding of VRS Board certified rates, projected VRS obligations vs. Henrico's debt service obligations, and education's cost for VRS compared to state revenues for VRS. Mr. Vithoukas concluded his presentation on this topic by discussing the history of benefit changes to VRS enacted by the General Assembly.

Mr. Vithoukas recognized Mr. Foster, who addressed the second topic requested by legislators, roads. Mr. Foster reviewed the Byrd Act of 1932 and the history of the County's Department of Public Works and how the County's public works program involves more than just maintaining pavement. He, Mr. Hazelett, and Mrs. O'Bannon responded to questions from the legislative delegation. At Mr. Hazelett's request, Mr. Foster provided background information on a Commonwealth Transportation Board subcommittee charged with studying the state distribution of road maintenance funds to statewide transportation systems and localities. Delegate Massie suggested that County staff prepare a one-page summary of how the state's road maintenance funding formula impacts the County so the information will be available prior to the following week's House Appropriations Committee retreat. Delegate Ingram mentioned previous hurdles to legislation introduced in the General Assembly that

would result in more equitable road maintenance payments to Henrico County. Mr. Hazelett elaborated on the County's use in recent years of snow removal funds that are left over in the Department of Public Works' budget. There was discussion by the legislative delegation, Mr. Glover, Mr. Hazelett, and Mr. Foster about the Commonwealth's road maintenance funding formula and the region's donor status for federal gasoline tax revenues.

Mrs. O'Bannon raised a concern regarding a pending state constitutional amendment that would potentially require local governments to compensate business owners for operational as well as property losses resulting from public improvements such as road or utility projects. Delegate McClellan noted that additional legislation addressing this issue may be forthcoming in the upcoming session of the General Assembly. Delegate O'Bannon pointed out that a number of high profile and contentious budgetary and legislative measures involving funding formulas are likely to arise during the upcoming General Assembly session.

Mr. Thornton thanked the members of the General Assembly for attending the meeting and listening to the information that was provided. He reiterated a concern that he has previously expressed regarding the restoration of voting rights for persons who have been released from incarceration. He asked the legislative delegation to look at this issue from the human perspective.

Mr. Schnurman returned to the podium at Mr. Hazelett request to summarize the presentation. He noted that the recovery for local governments will not occur as quickly as it will for the state, pointed to the County's \$70 million budget gap projected in FY 2012-13, suggested an alternative mechanism for setting and adhering to the VRS's board's approved rate so local governments will not be saddled with the costs of benefit enhancements, and reiterated that the County is asking that the General Assembly do no harm to the County.

Senator McEachin asked the County to flag bills introduced during the upcoming session that will negatively impact the County. Delegate O'Bannon suggested that it will be helpful to the legislative delegation if the County can prioritize legislation of concern that has been introduced. Mr. Glover asked that the General Assembly leave the County whole in terms of the Business, Professional, and Occupational License (BPOL) tax; provide counties with the same taxing authority as cities and towns; and let counties decide for themselves whether they will continue to pay the employee share of VRS contributions. Senator Stosch congratulated the Board and County staff for their fiscal prudence. He emphasized the significant budget pressures at the state level in a number of areas and pointed out that Henrico County is a donor county that helps those localities that are less fortunate. He and Mr. Hazelett responded to a question from Mr. Kaechele pertaining to state revenue projections.

Mr. Goodier and his culinary arts students received applause for the dinner they had prepared and served. Mr. Thornton again thanked the legislative delegation for attending the meeting and for joining the Board in deliberating on the future of the metropolitan area.

There being no further business, the meeting was adjourned at 6:48 p.m.

*Frank J. Thornton*  
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Chairman, Henrico County Board of Supervisors