

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
March 19 – 22, 2012

The Henrico County Board of Supervisors convened a Special Meeting on Monday, March 19, 2012, at 9:30 a.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:

Richard W. Glover, Chairman, Brookland District
David A. Kaechele, Vice Chairman, Three Chopt District
Tyrone E. Nelson, Varina District
Patricia S. O'Bannon, Tuckahoe District
Frank J. Thornton, Fairfield District Supervisor (departed at 12:20 p.m.)

Other Officials Present:

Virgil R. Hazelett, P.E., County Manager
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Administrative Assistant/Deputy Clerk to the Board
George T. Drumwright, Jr., Deputy County Manager for Community Services
Timothy A. (Tim) Foster, P.E., Deputy County Manager for Community Operations
John A. Vitoulkas, Deputy County Manager for Administration
Eugene H. (Gene) Walter, Management and Budget Division Director
William B. (Brandon) Hinton, Budget Supervisor
Justin D. Crawford, Budget Analyst
Marielle P. McFarland, Budget Analyst
Julian S. Parr, Budget Analyst
James A. (Adam) Rosatelli, Budget Analyst
Sharon Todd Van Gils, Budget Analyst
Paula G. Reid, Director of Human Resources
Youngju Heo, Management Trainee, Yangju City, Korea Department of General Affairs

Mr. Glover called the meeting to order at 9:38 a.m.

Mr. Glover recognized Mr. Hazelett, who noted that his presentation would combine the revenue and expenditure briefings and would be followed by a presentation by the Budget Strategies Committee.

County Manager Proposed Budget Presentation

Mr. Hazelett distributed and narrated a slide presentation on the *Proposed Annual Fiscal Plan, Revenue and Expenditure Briefing, Fiscal Year 2012-13*. Mr. Hazelett began his presentation by pointing out that the County is currently operating at FY 2006-07 revenue levels and by summarizing where the County has been since FY 07 in terms of revenues and budget additions. He noted that the General Assembly was dealing with the Commonwealth's largest ever budget deficits. In response to a question from Mr. Glover, he agreed to provide the Board with information on the County's sinking fund. Mr. Hazelett continued his presentation by explaining where the County is in closing a \$53.6 million budget gap that has been impacted by new facility costs and benefit cost increases and by reviewing the "big picture" and unprecedented budget reductions strategies within General Government that are necessary to balance the FY 2012-13 budget. These strategies include implementation of a one-time voluntary retirement incentive program (VRIP), lowering the percentage of General Fund expenditures directed to the undesignated fund balance, the elimination of technology replacement allocations within all participating General Government departments, and placing 26 General Government positions in the County's "hold complement." Mr. Hazelett also reviewed budget reduction strategies within the Education budget submitted by the School Board. He responded to questions from the Board regarding the General Government budget reduction strategies, including concerns expressed by Mr. Thornton and Mr. Nelson about the potential impact of the budget reductions on employee morale. Mr. Glover commented that based on discussions during the previous year's legislative budget reviews it is apparent that most County employees understand the economic situation and are anxious to help the County through the economic downturn. There was also considerable discussion by the Board and Mr. Hazelett pertaining to a budget reduction strategy for Education that will restructure Post Retirement Earnings Program (PREP) benefits for retired Schools employees for the third consecutive year. Mr. Hazelett completed this portion of his presentation by providing a summary of the County's budget reductions since FY 2010-11. Mr. Kaechele remarked that Mr. Hazelett's presentation paints an amazing picture of the County's budget management and tells a great story of how the County has maintained services during the past three years despite daunting fiscal challenges. In response to a question from Mr. Nelson, Mr. Hazelett elaborated on how fiscal actions by the General Assembly have impacted the County's budget.

Mr. Hazelett continued his presentation by offering FY 2012-13 budget details through an overview of revenues and expenditures. After Mr. Hazelett explained several slides depicting proposed expenditures in the major categories of the General Fund, there was discussion by the Board and Mr. Hazelett relating to the master plan for the Best Plaza property recently purchased by the County, the projected cost of renovating existing facilities located on the property, and the anticipated timeframe for relocating some of the County's departments and employees to these facilities. Mr. Thornton suggested that the County needs to do a better job of explaining to the public why it is expending funds on the Best Plaza property during the current economy. There was also some discussion of the County's sinking fund and how it has been used to fund operating costs associated with bond referendum projects. Mr. Hazelett referred to a proposed increase in the Water and Sewer Enterprise Fund and the establishment of a Line of Duty Act Fund via a transfer from the Other Post-Employment Benefits (OPEB) Fund. He summarized expenditures in the proposed budget as follows: in spite of a \$8.4 million decline in

General Fund expenditures, Education and Public Safety have remained the top funding priorities; significant expenditure reductions across all County agencies have been implemented in an effort to absorb significant fixed cost increases in a “negative revenue” environment; and after four years of reductions, there is nothing left in the budget to cut and without adequate revenue growth in FY 2013-14 to cover fixed cost increases, harsh budget measures may be imminent without the consideration of revenue enhancements.

Mr. Hazelett next focused on revenues and advised the Board that continued real estate struggles have resulted in an overall net decline in General Fund revenues outside of one-time funds. He responded to several questions from the Board regarding trends in local revenues and provided information on residential and commercial real estate values and trends. Following more questions from the Board, Mr. Hazelett advised that improvements in the commercial real estate market should continue into 2012, as the economy continues its slow growth and companies begin to hire again, but the residential real estate market is not expected to improve significantly in the coming year. He then reviewed State aid and revenue projections pertaining to the overall County budget and to Education. Mr. Hazelett, Mr. Hinton, Mr. Vithoukas, and Mr. Walter responded to questions from the Board. In summary, Mr. Hazelett pointed out that although State aid to the County has improved in the FY 2012-13 proposed budget, funding remains at FY 2006-07 levels and “structural imbalances” will impede incremental revenues to localities for a number of years.

After offering closing comments about the local economy and the County’s absorption of more than \$96 million in expenditures in the past three fiscal years to achieve a balanced budget without harsh measures, Mr. Hazelett responded to questions from Mr. Nelson relating to the scope of work undertaken by the Budget Strategies Committee. Mr. Nelson complimented County staff on its successful efforts to balance the budget but expressed concern for the future of Henrico given the tough fiscal and budgetary decisions that will have to be made.

The Board recessed for lunch at 11:55 a.m. and reconvened at 12:00 noon.

Budget Strategies Committee Presentation

Mr. Hazelett recognized Mr. Vithoukas, who began a slide presentation by providing brief background information on this committee, which held meetings from November 2011 to February 2012 and included a number of subcommittees. Mr. Vithoukas noted that Tony McDowell, Battalion Chief for Administrative Services with the Division of Fire, and Capt. Clarence Hunter from the Division of Police were not part of the original committee but would be making the balance of the presentation. He then recognized the members of the committee, which was composed of key agency personnel from various departments who volunteered for the effort.

Chief McDowell, Battalion Chief for Administrative Services, and Captain Hunter continued the presentation. They reviewed the committee’s key considerations, approach, and three categories of strategies. Category 1 strategies, which primarily involved efficiency improvements with minimal budgetary impact, included software maintenance agreements, travel policy, uniforms and protective equipment, construction contracts, and mileage reimbursement. Chief McDowell and Mr. Vithoukas responded to questions from Mr. Kaechele and Mrs. O’Bannon regarding a

recommendation to utilize a per diem approach in the County's travel policy. Category II strategies, which were recommended as possible budget reduction strategies, included copiers and paper usage, cell phones and smart phones, curbside services for recycling, bulky waste collection, bagged leaf collection, vacuumed leaf collection, neighborhood and community maintenance cleanup programs, donations to supported agencies, the retirement incentive, and workers compensation. Chief McDowell responded to questions from Mrs. O'Bannon concerning copier and paper use and cell phones and smart phones. There was extended discussion by the Board, Mr. Hazelett, and Mr. Mawyer relating to the County's participation in the Central Virginia Waste Management Association (CVWMA) curbside recycling program and the cost of the curbside services directly provided and subsidized by the County. Mr. Glover elaborated on the benefits of the County's neighborhood and community maintenance cleanup program, which has made use of volunteer efforts by citizens. Category III strategies, which required additional study and are not recommended at this time, include alternative approaches for calculating certain employee benefits and fleet operations. The committee concluded that the revised travel policy will produce minimal savings while the total maximum value of Category II ideas will equal approximately \$6 million. Mr. Hazelett noted that the committee's recommendations were a question of timing and priority. He applauded the members of the committee for their work and Chief McDowell and Captain Hunter on their presentation. Mr. Glover remarked that it was a very good presentation.

The Board recessed at 1:02 p.m. and reconvened at 1:10 p.m.

The Legislative Budget Reviews with department heads and key officials commenced. The following presentations were made:

- County Manager – Mr. Vithoukas, joined by Ms. McFarland

Mr. Vithoukas introduced Ms. McFarland as the County's newest Budget Analyst and as now being responsible for compiling the budgets for the County Manager's Office and Board of Supervisors. He referred to how recommendations from the *Changing the Way Henrico Does Business* initiative has resulted in savings in the County Manager's budget. These changes affect telecommunications, the lease and rental of office equipment, and technology replacement. Mr. Hazelett and Mr. Vithoukas responded to questions from the Board regarding the County's fund balance, Virginia Retirement System (VRS) rates, and travel and mileage reimbursement policy.

- Board of Supervisors – Mr. Vithoukas

Mr. Vithoukas noted that the County's audit is paid out of the Board's budget and that the County's external auditor, KPMG, has dropped its fees. He referred to how recommendations from the *Changing the Way Henrico Does Business* initiative have resulted in savings in the Board's budget. These changes affect public hearing advertisements, telecommunications, and technology replacement. There was brief discussion by the Board, Mr. Hazelett, and Mr. Vithoukas pertaining to the Board's personnel complement. Mr. Vithoukas responded to questions from Mr. Nelson concerning the Board's advertisement costs and how mileage reimbursements are reflected in its budget.

- Public Relations & Media Services – Tamra R. McKinney, Director; joined by Joyce H. Keenan, Business Supervisor

Mrs. McKinney advised that the increase in her department's operations budget resulted from the addition of the cost of studio equipment for the County's cable television station to the Technology Replacement Fund. She then outlined her agency's budget reduction strategies. Mr. Glover and Mr. Kaechele objected to her proposal to reduce the number of issues of the *Henrico Today* newspaper supplement from four per year to two per year. Mrs. O'Bannon suggested that there is a need to look at alternative means of conveying County information to younger citizens, who receive their news differently from more senior residents. There was discussion by the Board and Mrs. McKinney relating to the media avenues that Mrs. McKinney's office uses to share information with the public, viewership and programming for HCTV, and other cost saving measures implemented by Mrs. McKinney and her staff. Mr. Hazelett agreed with Mrs. O'Bannon that the County should consider conducting an updated citizen communication survey, the cost of which can be paid out of the Manager's Contingency Fund.

- County Attorney – Joseph P. Rapisarda, Jr., County Attorney; joined by Rhysa G. South, Senior Assistant County Attorney; and Karen W. Grizzard, Business Supervisor

Mr. Rapisarda noted that his could achieve budget savings by relying more heavily on technology as opposed to travel to meetings at remote locations. Savings were also achieved by eliminating certain notary renewal fees and dues for a professional association. Mr. Rapisarda advised that his office's caseloads have remained constant, and he touched on several recent cases where his staff has successfully defended the County. He also referred to his office's succession management efforts. Mr. Rapisarda responded to questions from the Board regarding Department of Justice reporting requirements, the County's efforts to comply with the federal Religious Land Use and Institutionalized Persons Act (RLUIPA), the extent to which his office uses outside counsel for special legal matters, and the County's procedures for responding to Freedom of Information Act (FOIA) requests. Mr. Glover complimented the office for doing an outstanding job, and Mr. Rapisarda expressed gratitude to the Board and Mr. Hazelett for allowing him to fill vacant positions.

- Internal Audit – Vaughan G. Crawley, Internal Auditor

Mr. Crawley referred to areas of his office's budget where cost savings have been achieved, assured the Board that there will be no decrease in service levels, and summarized the services his office provides. He and Mr. Hazelett responded to questions from Mr. Kaechele relating to the County's internal procedures for reporting potentially fraudulent actions within government agencies and how areas of concern are typically identified.

- Finance – Mr. Vithoukias and David B. Gehm, Deputy Director

Mr. Vithoukias introduced the following division heads within his department who were seated in the audience: Clarence C. Daniel, Jr., Accounting Division Director; Timothy M. (Tim) Leclerc, Treasury Division Director; Thomas C. (Tom) Little II, Real Estate Division

Director; Edward W. (Ed) Trice, Revenue Division Director; and Mr. Walter. He announced that Mr. Gehm will be retiring in mid-June and noted that this is his final time addressing the Board as Director of Finance in light of his recent promotion to Deputy County Manager for Administration. Mr. Gehm remarked that he has enjoyed his tenure with the County and working alongside Mr. Vithoukias. He narrated a slide presentation on the department's operating budget, which included proposed funding levels for personnel, operating, and capital expenditures; the department's budget history; budget highlights for reducing departmental expenditures; budget reduction strategies; cost savings measures; and technology initiatives. Mr. Gehm, Mr. Vithoukias, and Mr. Hazelett responded to questions from Mr. Glover and Mr. Nelson regarding the department's use of temporary employees and elimination of non-critical vacant positions. Mr. Little responded to questions from Mr. Kaechele and Mrs. O'Bannon pertaining to the real estate assessment appeals process and the role of the Board of Real Estate Review and Equalization in this process.

- General District Court – Archer L. Yeatts, III, Chief Judge; joined by Linda S. Knight, Clerk

Judge Yeatts introduced Ms. Knight, who recently replaced Larry Sprader upon Mr. Sprader's retirement after 13 years with the County. Judge Yeatts expressed appreciation for the County's support of the General District Court. Mr. Glover complimented the General District Court for doing a great job and noted that he never receives any complaints about this court. In response to questions from Mr. Kaechele and Mr. Glover, as well as Mr. Hazelett, Judge Yeatts pointed out that he will be retiring on January 13, 2013; that Judge James Yoffy's seat on the bench has been filled; and that the court system would collapse without the use of retired judges.

The Board recessed at 2:32 p.m. and reconvened at 2:46 p.m.

The Legislative Budget Reviews continued with the following presentations:

- Magistrate – Yvette A. Ayala, Chief Magistrate

Ms. Ayala introduced herself and noted that she joined the County in February after serving as Chief Magistrate for the Commonwealth's 16th Judicial District in central Virginia. She noted that her office's information technology resources are supported by the Office of the Executive Secretary of the Supreme Court of Virginia as well as by the County. Ms. Ayala commented on her office's staffing and pointed out that chief magistrates in Virginia must now have a law degree and be licensed to practice law in Virginia. She responded to a concern expressed by Mrs. O'Bannon regarding her office's procedures for handling citizen complaints. Ms. Ayala and Mr. Hazelett responded to questions from Mr. Kaechele and Mr. Glover pertaining to how her office is funded and its physical layout.

- Circuit Court Services – Catherine C. Hammond, Chief Judge; joined by Gary A. Hicks, Judge; and Janice W. Bashore, Administrative Assistant

Judge Hammond referred to several areas of her agency's budget where reductions have been achieved. Mr. Hazelett pointed out the Circuit Court judges are paid by the Commonwealth and that the County's judges have done a very good job on a restricted budget. Judge Hammond briefly alluded to her agency's caseloads and thanked Mr. Glover for speaking at the Drug Court graduation on March 16.

- Drug Court – Patricia A. Shaw, Administrator; Judge Hammond; and Judge Hicks

Judge Hammond mentioned that the Drug Court is getting ready to move to new space. Ms. Shaw noted that most of her office's operational expenses are for rent and drug testing supplies. Judge Hammond also mentioned that the office recently received a grant for ankle monitoring. Ms. Shaw, Judge Hammond, and Judge Hicks responded to questions from the Board regarding Drug Court graduation statistics and recidivism rates, the time commitment it requires of Judge Hammond and Judge Hicks, the program's community partners, and the State grant that funds the office. Judge Hammond invited the Board to share ideas for enhancing the Drug Court program, and Judge Hicks thanked the County for producing a video profiling the Drug Court. Mr. Glover expressed appreciation for the job done by the Drug Court. Judge Hammond announced that the next Drug Court graduation will be held on May 18.

- Circuit Court Clerk – Yvonne G. Smith, Clerk; joined by Paige W. Cranor, Chief Deputy Clerk

Mrs. Smith introduced Ms. Cranor, who has 30 years of service with the County. She referred to her office's budget reductions and expressed concern that funds had to be taken out of the legal services account. Mrs. Smith responded to a question from Mr. Kaechele pertaining to the impact of the economy on the number of deeds being recorded. She reviewed recent State legislation that will affect the County's share of the recordation tax.

- Commonwealth's Attorney/Victim Witness/Drug Prosecutor – Shannon Taylor, Commonwealth's Attorney; joined by Taryn D. Giroux, Victim-Witness Program Director; and Brenda N. Johnson, Business Supervisor

Ms. Taylor noted that the biggest savings in her office's budget has been achieved in the area of salaries and that her office is now fully staffed. She announced that Ms. Johnson will be retiring on April 2 and that recruitment is currently underway for this position. Ms. Taylor further advised that her office's operating costs are not changing.

Ms. Taylor spoke to the role of the drug prosecutor positions.

Ms. Taylor reviewed changes in protective orders issued by the courts and also reviewed funding for services to victims who are threatened. Ms. Giroux cited statistics pertinent to her office. Ms. Taylor noted that the Victim-Witness Program staff work out of an office leased by the County on Shraeder Road. Ms. Giroux and Ms. Taylor responded to questions from the Board concerning the type and level of support that the program provides

to victims, how victims are relocated, and sources of financial assistance for domestic violence cases.

Ms. Taylor and Mr. Hazelett responded to questions from the Board pertaining to the Commonwealth's Attorney's Office, including the makeup of the staff, caseload statistics, and how fines in traffic and criminal cases are paid and processed.

- Community Corrections – Jane E. Hardell, Director; Shelby Johnson, Probation Supervisor; and Laura Nagy, Pretrial Services Coordinator; joined by Dionne Robinson, Technology Support Technician

Ms. Hardell remarked that it has been a year of significant change in her office and then introduced Ms. Johnson and Ms. Nagy. She recognized Ms. Nagy, who narrated the first portion of a slide presentation on the County's Community Corrections Program. Ms. Nagy explained the pretrial component of the program and provided statistics on the County's pretrial services in Fiscal Year 2011. Ms. Johnson continued the presentation by explaining the post-trial aspect of the program, offered statistics on the County's post-trial services in FY 2011, and cited several statistics relating to the program's community service projects in FY 2011. Ms. Hardell cited FY 2011 statistics pertaining to her office's restitution monitoring cases and also summarized program cost containment measures and office cost containment measures. Mr. Hazelett commented that Ms. Hardell has done a fantastic job and made vast improvements in the overall effort of her office. Ms. Hardell, Mr. Drumwright, and Ms. Nagy responded to questions from the Board regarding the types of clients used for community cleanups, how clients are referred to pretrial services, and the level of input and involvement by the County's Community Criminal Justice Board. Mr. Glover complimented Ms. Hardell and her staff on the presentation.

- Information Technology – Thomas L. Owdom, Director

Mr. Owdom noted that his office has reduced coverage from 24 hours a day to 16 hours a day, five days a week, and has reduced operator overtime as well as eliminating one position. He referred to other reductions in his department's budget and recent projects undertaken by his staff, including a network upgrade, enhancement of the County's Emergency 911 (E-911) system, and dismantlement of the County's last mainframe computer. Mr. Owdom also pointed out that the County's Geographic Information System operations have been moved from the Department of Public Works to his department and that there was a recent flyover of the County to update aerial photographic images. He, Mr. Hazelett, and Mr. Foster responded to questions from the Board regarding the scope and accessibility of the new aerial photographs, the cost and feasibility of cloud-based disaster recovery, and the rationale for transferring GIS operations to the Department of Information Technology.

Mr. Hazelett reviewed the schedule for the following day's session and announced that Mr. Glover would be absent. He advised the Board that answers to questions from the current day's session for which staff did not have an immediate answer will be distributed to the Board in narrative form at the following day's session. Mr. Hazelett pointed out that there might be discussion of PREP

during the presentation by the School Board at the Thursday, March 22 session. He responded to several questions from the Board concerning the status of non-departmental budget requests. There was considerable discussion by Mr. Hazelett, Mr. Glover, and Mr. Kaechele pertaining to the County's cost of legislation introduced in the General Assembly by Senator John Watkins requiring local general government and school employees to pay the five percent employee contribution to the Virginia Retirement System (VRS).

The Board adjourned for the day at 4:27 p.m. and reconvened at 1:04 p.m. on Tuesday, March 20, 2012.

Members of the Board Present:

David A. Kaechele, Vice Chairman, Three Chopt District
Tyrone E. Nelson, Varina District
Patricia S. O'Bannon, Tuckahoe District
Frank J. Thornton, Fairfield District (arrived at 1:20 p.m. and departed at 6:18 p.m.)

Member of the Board Absent:

Richard W. Glover, Chairman, Brookland District

Other Officials Present:

Virgil R. Hazelett, P.E., County Manager
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Administrative Assistant/Deputy Clerk to the Board
George T. Drumwright, Jr., Deputy County Manager for Community Services
Timothy A. (Tim) Foster, P.E., Deputy County Manager for Community Operation
Angela N. Harper, FAICP, Deputy County Manager for Special Services
Randall R. (Randy) Silber, Deputy County Manager for Community Development
John A. Vithoukas, Deputy County Manager for Administration
Eugene H. (Gene) Walter, Management and Budget Division Director
William B. (Brandon) Hinton, Budget Supervisor
Justin D. Crawford, Budget Analyst
Marielle P. McFarland, Budget Analyst
Julian S. Parr, Budget Analyst
James A. (Adam) Rosatelli, Budget Analyst
Sharon Todd Van Gils, Budget Analyst

Mr. Vithoukas distributed staff's written responses to questions asked by the Board during the previous day's session that required research. Mr. Hazelett suggested that the Board read over the information.

Mr. Hazelett advised the Board that he, Mr. Walter, and Mr. Vithoukas had been in downtown Richmond earlier in the day talking with members of the General Assembly about the legislation requiring local general government and school employees to pay the five percent employee

contribution to the Virginia Retirement System (VRS). He and Mr. Vithoukias responded to questions from Mr. Kaechele and Mrs. O'Bannon relating to the financial impact of this legislation on local governments and the financial condition of VRS.

Mr. Kaechele noted Mr. Glover's absence due to a medical procedure and Mr. Thornton's anticipated late arrival.

The Legislative Budget Reviews continued with the following presentations:

- Juvenile/Domestic Relations District Court Services – Margaret W. Deglau, Chief Judge; joined by Rebecca L. Cone, Clerk of Court

Judge Deglau announced that Judge Sharon Will recently retired and has not been replaced, and Judge Wallerstein will be moving to the Henrico Circuit Court. She reviewed caseload statistics and staffing challenges and spoke favorably of the parenting classes offered through St. Joseph's Villa. Judge Deglau responded to questions from Mrs. O'Bannon and Mr. Kaechele regarding the Court's use of mediation services, sources of funding, and service area. She thanked the Board, Mr. Hazelett, Mr. Drumwright, and Purchasing Manager Cecelia Stowe for their support.

- Probation– Sean D. Milner, Probation Director

Mr. Milner advised the Board that he began serving as Probation Director on October 10, 2011, and thanked the County for providing him with the tools to be successful. He referred to the services provided by his 30-member staff and noted that his agency has forfeited a vehicle to reduce its budget. Mr. Milner commented on his agency's new juvenile truancy effort and its work with Henrico County Public Schools, the Department of Social Services, and the community to address truancy issues. He responded to questions from Mrs. O'Bannon and Mr. Kaechele pertaining to his agency's approach to truancy. Judge Deglau, who was in the audience, explained her court's involvement with truancy cases and enforcement procedures and spoke to the benefits of a collaborative effort in addressing truancy issues.

- VJCCCA/Probation and Detention – Judge Deglau; Debra A. Nedervelt, Coordinator of the Virginia Juvenile Community Crime Control Act (VJCCCA); and Michael D. Bingham, Superintendent of Juvenile Detention

Judge Deglau referred to the services provided by this agency and noted the continued reductions in State funding. Ms. Nedervelt provided highlights of, and statistics for, local programs funded through the Virginia Juvenile Community Crime Control Act (VJCCCA) and commented on the requirement for parental participation in these programs and their success rates. Judge Deglau pointed out that it is less expensive and better for juvenile offenders to be kept in the community rather than in secure detention. Mr. Silber distributed a handout describing the County's VJCCCA programs and offender/offense criteria for these programs. Ms. Harper distributed a handout containing information on the office's Anger Management, Larceny Reduction, and Parenting Skills Programs and on

Project Fresh Start. In response to a question from Mr. Thornton, Judge Deglau elaborated on the advantages of parenting classes and mentoring programs for juvenile offenders. Ms. Nedervelt responded to questions from Mr. Nelson concerning the pattern of State funding reductions for VJCCCA and how recidivism rates are calculated.

Mr. Bingham reviewed statistics relating to the Detention Outreach Program and the Services Through Opportunity Program (STOP) and the Juvenile Detention Home's workload and efficiency measures. Judge Deglau and Mr. Bingham responded to questions from the Board pertaining to in-home monitoring, client profiles, the provision of medical services to detainees, and the benefits of parenting and mentoring programs. Judge Deglau offered kudos to Mr. Bingham and Pat Carrington, Superintendent of the James River Juvenile Detention Commission, on how they have handled mental health cases. She advised Mr. Thornton that representatives of staff are available to provide information at one of his town meetings but that the judges are prohibited from doing so.

- JRJDC – Patricia A. Carrington, Superintendent of the James River Juvenile Detention Center; joined by Mr. Drumwright

Mr. Drumwright explained the makeup of the regional James River Juvenile Detention Commission, described the James River Juvenile Detention Center (JRJDC) facility located in Powhatan County, and reviewed the history behind JRJDC's establishment and the process for transferring juveniles there. He noted the very low turnover among its staff. Ms. Carrington reviewed the JRJDC budget and elaborated on the facility's residents and the programs and activities in which they participate while detained. Mr. Drumwright, Ms. Carrington, and Mr. Hazelett responded to questions from the Board relating to the facility's client profiles and average daily population, the level of state support for the facility, and the location and status of other regional detention facilities. Mr. Drumwright referred to the collaboration among a number of different local agencies and the courts in dealing with juvenile offenders.

- Human Resources/Employee Benefits – Paula G. Reid, Director of Human Resources; joined by Rebecca L. (Becky) Tate, Assistant Director of Human Resources; and Julie W. Davis, Manager of Finance and Administration

Mr. Hazelett remarked that Mrs. Reid has done a fantastic job since taking over as the agency's Director. Mrs. Reid introduced Mrs. Tate and Mrs. Davis and noted her department's focus on communication, collaboration, and credibility. She advised that her agency's budget emphasizes reorganization and a new management style. Mrs. Reid reviewed staffing changes in her department and cost savings measures, including the elimination of employee gifts in the Service Award and Leadership Development Programs, discontinuation of a printed version of the training catalogue, and a reduction in advertising. She and Mrs. Tate responded to questions from the Board relating to the County's recruitment and application processes, the department's history, how the department's Employee Development and Training Division is helping to maintain employee morale in the face of position and salary freezes, the County's employee turnover and longevity rates, the County's employee to citizen ratio, and the demographic breakdown of the workforce.

- Social Services – Jane D. Crawley, Director of Social Services; joined by Cynthia J. Steinhauser, Assistant Director of Social Services; Sean M. Rozier, Assistant Director; and Hugh V. Field, Controller

Mrs. Crawley introduced the members of her staff who were present, including Business Manager Terry Painter-Beals, who was seated in the audience. Mrs. Crawley, Ms. Steinhauser, Mr. Rozier, and Mr. Field jointly narrated a slide presentation titled *Henrico County Social Services: A Piece of the Puzzle – Yesterday, Today & Tomorrow*. Mrs. Crawley noted that consultant Dr. George Flanagan has been working with her staff. During the presentation, Mrs. Crawley and her staff reviewed changes to their agency emanating from the Federal and State government as well as local initiatives, charts depicting local trends in benefit program applications processed and benefit caseloads, cost containment initiatives, local General Fund match reductions, and dollars generated by the department in FY 2010-11. Along with Mr. Drumwright and Mr. Hazelett, they responded to questions and comments from the Board regarding the budgetary impact on Henrico of Federal health care reform and the new State agency for adult services, the sizable percentage of Henrico residents being served by Social Services programs as a result of the recession, how the County is addressing the homeless population, changes in funding for adult day care, and how Medicaid payments and food stamps are administered. Mr. Thornton commented on the tremendous job being done by Mrs. Crawley and her staff and expressed thanks on behalf of the Board.

Comprehensive Services Act – Carol P. Jellie, CSA Coordinator; joined by Mr. Vithoukas, Mrs. Crawley, and Mr. Field

Mr. Vithoukas noted that the Commonwealth has tweaked its requirements to increase the local contribution for Comprehensive Services Act (CSA) requirements to 46.5 percent and explained where this contribution is reflected in the County's budget. Ms. Jellie commented on the different levels of administration of the County's CSA program and the importance of parental involvement. She narrated a slide presentation on her agency's FY 2012-2013 budget request, which represents a 12 percent decrease from the previous fiscal year. She reviewed CSA annual expenditures by fiscal year, expenditure category comparisons, trends in children receiving specialized services through CSA, CSA match rates for FY 2011-2012, challenges faced by the agency as result of budget reductions for the purchase of services, positive changes that have occurred at the local level, and what CSA can do to address the specialized needs of youth and families. Mr. Vithoukas and Mr. Hazelett emphasized the extreme expense of some of the local placements made through CSA and Ms. Jellie provided examples. She and Mr. Drumwright responded to questions from the Board relating to placement procedures, criteria, and trends. Mr. Thornton expressed concern that many group homes have been profit driven and have caused problems for the community.

The Board recessed at 3:47 p.m. and reconvened at 3:57 p.m.

- Sheriff – Michael L. Wade, Sheriff, and Carlos V. Talley, Chief Deputy; joined by Dana L. Powell, Controller

Sheriff Wade recognized Chief Deputy Talley, who reviewed the office's major expenditures, including the rising costs of providing medical services to inmates. In response to a question from Mrs. O'Bannon, Chief Deputy Talley elaborated on the more costly medical problems funded through his office. Mr. Hazelett and Sheriff Wade also commented on the difficulty that the Sheriff's Office has in budgeting for medical care. Sheriff Wade, Chief Deputy Talley, Mr. Powell, and Mr. Hazelett responded to questions from the Board regarding the jail's average daily population and its inmate profiles and demographics, projected increases in the County's jail population, the cost to the County of housing state prisoners, the cost of home incarceration, the status of the County's Recovery in a Secure Environment (RISE) program, and the success of the new Summer-Student Basic Academy in reducing overtime costs for Sheriff's Deputies and attracting college-educated personnel to these positions. Mr. Thornton expressed concern about the high rate of incarceration in the United States, especially among African-Americans, and the factors contributing to this problem.

- Police/Metro Aviation/Wireless E-911 - Col. Douglas A. Middleton, Chief of Police; joined by Lt. Cynthia A. Wood; and Kathryn A. Sobczak, Controller

Chief Middleton pointed out that many members of his staff who worked hard on the budget were seated in the audience. He narrated a slide presentation on the Division of Police's FY 2012-13 proposed budget. During his presentation, Chief Middleton reviewed General Fund budget highlights and the Division's recent accomplishments and current initiatives, including the 2011 Law Enforcement Challenge Award, recognition of officers participating in the 2011 Help Eliminate Auto Theft (HEAT) program, international accreditation, intelligence-led policing, mandatory body armor and the Police Fitness/Wellness Program to emphasize officer safety, development of a strategic plan, and the Corporal Leadership Program. He responded to questions from Mrs. O'Bannon and Mr. Kaechele pertaining to the scope of the Fitness/Wellness Program and the facilities that are used for this program.

Chief Middleton next updated the Board on a new hangar that is being acquired at Richmond International Airport for the Metro Aviation Unit that will save the County approximately \$118,000 over the next five years. The facility will be available by October 1. Chief Middleton, Mr. Hazelett, Mr. Walter, and Lt. Tony Gordon responded to questions from the Board relating to the division's vehicle replacement program, the criteria for the Law Enforcement Challenge Award and international accreditation, participation by qualified police personnel in VRIP, and the status of the division's recruitment efforts and career development program in light of budget reduction. Mr. Thornton expressed appreciation to the division for appearing at his town meeting the previous evening, for the efficiency and competency of its staff, and for husbanding the Police Athletic League (PAL).

At Mrs. O'Bannon's request, Chief Middleton elaborated on the current status and future of Wireless E-911 technology at both the local and state levels and on the status of federal interoperability legislation. Mr. Hazelett advised the Board that staff has been meeting on the interoperability issue and will be bringing information to the Board at a future work session. Chief Middleton responded to additional questions from Mr. Nelson regarding the

division's response to recent shootings in the County. Mr. Kaechele remarked that the division can be proud of its record and programs.

- Fire/EMS/Emergency Services – Edwin W. Smith, Chief; joined by Anthony E. McDowell, Battalion Chief for Administrative Services; and Vince E. Copeland, Controller

Chief Smith recognized the members of his staff who were present and noted that the Division of Fire is still delivering services despite budgetary challenges. He then narrated a slide presentation on the Henrico Fire FY 2013 budget. During his presentation, Chief Smith reviewed architectural renderings of three fire stations that are being rebuilt or remodeled; statistics for fire alarms by type and fire incidents in FY 2011; a photograph of a second alarm commercial fire that occurred at the Virginia Dental Association building in July 2010; fire trends and challenges; growth and development in the County's Emergency Medical Services (EMS) system, including ground-breaking results with cardiac arrest calls; the Division of Fire's role in the Special Operations Combat Medic Program and in emergency management and community risk reduction; highlights of the Division's Office of Emergency Management; and funding categories and major components of the Division's FY 2013 proposed budget. During his presentation, Chief Smith responded to questions from Mr. Kaechele regarding how residential fires are classified and the division's relationship with the United States Department of Defense in the Special Operations Combat Medic Program. In response to a question from Mrs. O'Bannon, Chief Smith elaborated on the challenges of responding to fires and crashes involving hybrid or alternative fuel vehicles. Following his presentation, Chief Smith and Mr. Hazelett responded to questions from the Board concerning the status of volunteer firefighters in the County, the division's apparatus replacement program and recruitment process, the County's policy not to charge for EMS calls, the division's use of the former Sheraton Richmond West Hotel facility at Brookfield for training exercises, the status of the division's projects funded by the 2008 General Obligation Bond Referendum, and line item expenditures for civic and community organizations.

- Non-Departmental – Mr. Hazelett

Ms. Van Gils distributed a spreadsheet listing non-departmental requests for County supported activities and staff's recommendations for FY 2012-13, which Mr. Hazelett reviewed. He advised that the recommendations reflected a ten percent across-the-board reduction for donations to outside organizations. Mr. Hazelett responded to a request from Mrs. O'Bannon pertaining to the current status of the Horses in Service Riding Center. In response to questions from Mr. Nelson, Mr. Hazelett elaborated on the County's non-departmental funding priorities and its considerations in funding requests. Mr. Nelson suggested that the Board develop specific criteria in the future to ensure that the organizations and programs being funded serve the County's mission. There was extended discussion by Mr. Hazelett and the Board in regards to how the process for funding non-departmental requests has evolved over time. There was also some discussion relating to the County's support for scholarships at Virginia Commonwealth University's (VCU) Monroe Park Campus for the School of Engineering and the School of Business. He noted that staff would be making a presentation on VRIP during lunch at

the following day's session and that he would be discussing the non-departmental requests again with the Board during the final days' session.

The Board adjourned for the day at 6:38 p.m. and reconvened at 10:13 a.m. on Wednesday, March 21, 2012, at 10:08 a.m.

Members of the Board Present:

David A. Kaechele, Vice Chairman, Three Chopt District
Tyrone E. Nelson, Varina District
Patricia S. O'Bannon, Tuckahoe District

Members of the Board Absent:

Richard W. Glover, Chairman, Brookland District
Frank J. Thornton, Fairfield District

Other Officials Present:

Virgil R. Hazelett, P.E., County Manager
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Administrative Assistant/Deputy Clerk to the Board
George T. Drumwright, Jr., Deputy County Manager for Community Services
Timothy A. (Tim) Foster, P.E., Deputy County Manager for Community Operations
Angela N. Harper, FAICP, Deputy County Manager for Special Services
Randall R. (Randy) Silber, Deputy County Manager for Community Development
John A. Vithoukas, Deputy County Manager for Administration
Eugene H. (Gene) Walter, Management and Budget Division Director
William B. (Brandon) Hinton, Budget Supervisor
Justin D. Crawford, Budget Analyst
Marielle P. McFarland, Budget Analyst
Julian S. Parr, Budget Analyst
James A. (Adam) Rosatelli, Budget Analyst
Sharon Todd Van Gils, Budget Analyst

Mr. Kaechele noted the absence of both Mr. Glover and Mr. Thornton.

The Legislative Budget Reviews continued with the following presentations:

- Public Health – Carla P. Bennett, Business Manager; joined by Kathryn R. Sprouse, Human Resources Analyst

Ms. Bennett narrated a slide presentation on the Public Health FY 2013 Budget Request. During her presentation, Ms. Bennett reviewed the Henrico Health Department's 2011 accomplishments, staffing complement, 2013 goals, and finances. She responded to questions from the Board concerning how flu shots administered in Henrico County Public Schools were publicized, the location of the department's caseloads, how the department's

fees for services are budgeted, and the status of the department's facility at the Eastern Government Center. There was also discussion by the Board, Mr. Hazelett, and Ms. Bennett pertaining to the department's maternity clinics. Mr. Drumwright updated the Board on the status of the recruitment for the Public Health Director position, which became open when the previous director had to resign for medical reasons. He and Mr. Hazelett responded to a question from Mr. Kaechele relating to the recruitment process for this position.

- Real Property - Jon Tracy, Director; joined by Andrew S. (Steve) Price, Assistant Director

Mr. Tracy provided background information on his agency's functions, reviewed its staffing, and identified areas where operating costs are being reduced. Along with Mr. Price, he and Mr. Hazelett responded to questions from Mr. Kaechele regarding the County's leases for off-site space, revenue received by the County for cellular telephone towers located on County property, and the department's role in acquiring right-of-way for major road projects such as the North Gayton Road Extension Project and for the regional reservoir that will be constructed in Cumberland County. Mr. Tracy and Mr. Hazelett also responded to questions from Mr. Nelson concerning the right-of-way acquisition process and the status of right-of-way acquisition for a new public library in the Varina District.

- Public Library – Gerald M. McKenna, Director; joined by Christine Campbell, Assistant Director; Barbara F. Weedman, Public Services Administrator; and John C. Gentry, Business Manager

After introducing the members of his staff seated at the table, Mr. McKenna updated the Board on the agency's most recent National Association of Counties Achievement Award, an upcoming All Henrico Reads event, summer reading clubs, and the agency's new electronic newsletter. He also provided background information on, and shared a slide depicting, the Public Library's new bookmobile. Mrs. Campbell narrated a slide presentation on the Library Services Plan, which was developed in response to surveys, listening sessions, and interviews involving library customers. During her presentation, Mrs. Campbell reviewed the plan's purpose, process, methods, and goals. There was discussion by Mrs. O'Bannon, Mr. Hazelett, and Mrs. Campbell pertaining to the library's potential for communicating information to citizens, such as public hearings or legal notices, as an alternative to the print media. Mrs. Campbell distributed a brochure on the plan and shared a slide and a flyer highlighting the Public Library's new mobile application. Mr. McKenna discussed a slide containing information about the 2012 All Henrico Reads event with Garth Stein at Glen Allen High School. He and Mrs. Campbell responded to questions from the Board relating to the Public Library's circulation and attendance statistics, the status of his agency's transition from paper to digital materials, recent changes to the Public Library's online newspaper subscription services, and the purpose and cost of the All Henrico Reads event. Mrs. O'Bannon suggested that Mr. McKenna develop a commentary explaining limitations that e-book publishers are placing on the circulation of e-books in public libraries.

Mr. Hazelett updated the Board on the schedule of agency presentations for the remainder of the day.

The Legislative Budget Reviews continued with the following presentations:

- Technology Replacement – Mr. Hinton; joined by Mr. Owdom and Mrs. Van Gils

Mr. Hinton recognized Mrs. Van Gils as the budget analyst for the Technology Replacement Fund and also recognized Mr. Owdom. Mr. Hinton reviewed the current level and the purpose of the fund, major technology requests from the Division of Fire and Public Library, the extension of County's technology replacement schedule, and plans to phase out desktop printers in favor of networked printers. Along with Mr. Hazelett, he and Mr. Owdom responded to questions from Mrs. O'Bannon regarding the history of the fund, the process for repairing and replacing computer equipment, and the status of wireless access for County computers. Mr. Hinton and Mr. Hazelett responded to questions from Mr. Kaechele pertaining to Technology Fund transfer procedures and the technology replacement schedule.

- Economic Development – Gary R. McLaren, Executive Director

Mr. Hazelett advised that the proposed increase in the Economic Development Authority's (EDA) budget is totally attributable to the hotel/motel tax. He noted that payments from the County to the Richmond Metropolitan Convention & Visitor's Bureau (RMCVB) and Greater Richmond Partnership are reflected in the Authority's budget. Mr. McLaren narrated a brief slide presentation on the Economic Development Authority's (EDA's) proposed budget, which included a review of the top ten localities ranked in order of business announcements and the EDA's existing business announcements and new business announcements from January through December 2011. In response to a question from Mrs. O'Bannon, there was discussion by Mr. McLaren and Mr. Hazelett of the projects that were announced in Fairfax County, which led the Commonwealth in the number of announcements. Mr. McLaren responded to additional questions from Mrs. O'Bannon and Mr. Kaechele concerning the EDA's announcements. He continued his presentation by providing background information and historical data highlighting the growth of the Virginia Commonwealth University (VCU) School of Engineering Scholarship Program and by explaining EDA's past commitment to the program and recent actions to limit its financial obligation to the program in the future. In clarifying that this scholarship program was started by the Board and that the ultimate decision on the program's status rests with the Board, Mr. Hazelett also pointed out that the EDA cannot continue to fund the program at the same level out of its current revenues. Mr. McLaren responded to questions from Mr. Kaechele and Mrs. O'Bannon relating to cost and financial impact of this scholarship program. Mr. McLaren advised that the EDA is looking for input by the Board prior to October 1 concerning this initiative and future options for continuing it. Mr. Kaechele suggested that the Board discuss this matter further in a future work session.

The Board recessed for lunch at 11:57 a.m. and reconvened at 12:23 p.m.

Mr. Hazelett narrated a two-part slide presentation titled *VRIP vs. PREP*, which provided a comparison of these early retirement programs offered by General Government (VRIP) and Schools (PREP). He noted that the School Board would be discussing VRIP at a work session on March 22 and that the Superintendent of Schools had requested information about the program. During his presentation, Mr. Hazelett gave a summary of both programs, compared their benefits and eligibility requirements, offered historical data for PREP and a timeline of changes to that program, summarized FY 2013 School Board changes to PREP and further changes to the program that are being considered, and identified questions about PREP that need to be answered. He and Mr. Hinton also responded to questions from the Board pertaining to the original purpose of PREP, the criteria for participation in the program, and the cost of the program. In summary, Mr. Hazelett advised that PREP is more lucrative and expansive than VRIP, that it would be unacceptable for the School Board to combine the two programs, and that VRIP was designed as a one-time cost savings measure rather than as a benefit.

The Legislative Budget Reviews continued with the following presentations:

- Planning – Ralph J. Emerson, Jr., Director; joined by Jean M. Moore, Assistant Director; Nancy E. Graham, Business Supervisor; and Jonathan W. (Jon) Steele, Planning Systems Manager

Mr. Emerson introduced the members of his staff who were present and then narrated a slide presentation on the Department of Planning's indicators and FY 2012-2013 budget request. During his presentation, Mr. Emerson reviewed his department's mission statement and graphs depicting historic and recent application activity by fiscal year; office, retail, and industrial plan of development square footage approval by fiscal year; recorded single-family lots and multi-family units by fiscal year; single-family residential building permits issued and recorded lots from 1971 through 2011; and single-family residential building permits issued and recorded lots for surrounding localities from 2007 through 2011. He responded to several questions from Mrs. O'Bannon and Mr. Kaechele regarding information contained in these slides. Mr. Emerson continued his slide presentation by providing statistics on the County's development pipeline; reviewing special projects within his department; citing examples of how his department has achieved operating efficiencies, personnel cost savings, and increased productivity through changes in the way it does business; and summarizing his department's personnel complement and the proposed budget in the categories of personnel, operations, and capital expenditures. He responded to a question from Mr. Nelson concerning the development status of The Ridings, to questions from Mr. Kaechele relating to local development trends and the department's special projects, and to questions from Mrs. O'Bannon regarding the potential use of QR codes within the department and cost effective ways of communicating information to the public.

- Building Inspections – Gregory H. Revels, Building Official; joined by H. Bolman Bowles, Deputy Building Official

Mrs. O'Bannon noted that the State Building Code Technical Review Board has not received a case from Henrico County during the 17 years she has served on it. Mr. Revels

introduced Mr. Bowles and narrated a slide presentation on the Department of Building Construction & Inspections' FY 2012-2013 budget, which contained several graphs covering the time period FY 06/07 through year-to-date FY 11/12 and depicted total permits issued, single-family and townhouse permits issued, and new construction inspections conducted. He also presented slides containing departmental data for cases and inspections pertaining to existing structures; unsafe buildings; and fats, oils, and greases (FOG). During Mr. Revels' presentation, he responded to questions from Mr. Kaechele relating to residential building trends and inspection procedures for existing structures and FOG cases.

- Permit Centers – Lee J. Tyson, Director of Community Development; joined by David E. Pennock, Assistant Director of Community Development

After introducing Mr. Pennock, Mr. Tyson distributed a slide presentation on The Permit Center's FY 2012-2013 budget. Mr. Tyson's presentation contained a graph for time period FY 03/04 through estimated FY 11/12 depicting total performance measure inquiries at the Permit Center's two locations and additional slides highlighting departmental activities, budget reduction strategies, and conclusions. During his presentation, Mr. Tyson responded to questions from Mr. Kaechele regarding permit activity at each of the department's two locations, current staffing at the eastern Permit Center, and the department's on-line permitting system. Mr. Vithoukias and Mr. Pennock responded to questions from Mrs. O'Bannon pertaining to the County's residential tax credit program.

- Community Revitalization/Community Maintenance – S. Mark Strickler, Director of Community Revitalization; joined by Paul A. Johnson, Community Maintenance Manager; and David M. Sacks, Community Development Manager

Mr. Strickler recognized the members of his staff who were seated at the table and Neighborhood Planner Kimberly B. Pomatto and Inspector Supervisor Sherry A. Gemmill, who were seated in the audience. He narrated a slide presentation on the Department of Community Revitalization's FY 2010-2011 highlights and accomplishments and FY 2012-2013 budget. His presentation provided data on his department's Enterprise Zone, Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME), Community Maintenance, and Volunteer Assistance programs. Mr. Strickler also noted how line item adjustments were made to meet his department's budget target. In response to a question from Mrs. O'Bannon, Mr. Strickler offered examples of his department's proactive community maintenance efforts.

- Agriculture and Home Extension – Karen F. Carter, County Agent; joined by Angela M. Wrigglesworth, Administrative Assistant

Ms. Carter referred to staffing changes in her office and briefly reviewed the personnel and operational highlights of her agency's budget. Ms. Carter also mentioned that her staff has provided a lot of educational programs during the past year. She responded to questions from Mrs. O'Bannon concerning the status of the office's SMART lawns program and the impact of the Chesapeake Bay Preservation Act on the office's agricultural and natural resources programs. Ms. Carter and Mr. Hazelett responded to questions from Mr.

Kaechele relating to the part of the agency's budget that is funded by Virginia Tech outside of the County's budget process.

- Capital Region Workforce Partnership (CATC), formerly known as the Capital Region Training Consortium – Rosalyn D. Key-Tiller, Director; joined by Elsie D. Best, Business Supervisor

Mrs. Key-Tiller introduced Ms. Best and two additional staff members who were seated in the audience, Employment and Training Specialists Krishawn L. Monroe and Constance M. Green. She explained her agency's three categories of federal funding and the stringent eligibility requirements for two of the categories, provided program participation statistics, reviewed recent changes to her agency's structure, updated the Board on the status of federal support for regional workforce development programs, cited local unemployment statistics and trends, and referred to the locations of two new workforce centers that her agency will open while closing the Innsbrook center. Mrs. Key-Tiller and Mr. Hazelett responded to a question from Mr. Nelson regarding the agency's funding sources and Mrs. Key-Tiller responded to questions from Mr. Kaechele pertaining to client statistics and the uncertainty of federal funding for the agency.

- Public Works – Steven A. Yob, Acting Director; joined by Mr. Foster and Danielle E. Bazemore, Controller

Mr. Yob introduced Ms. Bazemore and the following members of his staff who were in the audience: Samuel W. (Sam) Amos, Jr., Chief Design Engineer; E. Todd Eure, Transportation Development Engineer; James T. (Jamie) Massey, Road Construction and Maintenance Superintendent; Jeffrey W. Perry, Engineering and Environmental Services Division Director; and Margaret Ann Hilliard and Robert C. (Rob) Tieman, Capital Projects Coordinators. He reviewed his department's objectives, funding sources, functions, capital requests, cost saving initiatives, and more visible special projects. Mr. Yob, Mr. Hazelett, and Mr. Foster responded to questions from the Board concerning the status of the department's road construction funds, the implementation of new traffic signal technology, and the discontinuation of the County's street map booklets. Mr. Foster updated the Board on the North Gayton Road Extension Project and the department's automated traffic management system. Along with Mr. Hazelett, he responded to questions from Mr. Kaechele pertaining to future plans for a left turn lane at Pump and Church Roads, new traffic signalization technology, traffic counts on John Rolfe Parkway, and the status of the County's maintenance funds. They responded to questions from Mrs. O'Bannon relating to the County's subsidy for GRTC transit service within the County and the budgetary impact of the County's snow removal efforts from the previous year.

- Public Utilities/Solid Waste/Street Lighting – Arthur D. Petrini, Director of Public Utilities; joined by William I. Mawyer, Assistant Director; Evelyn D. McGuire, Senior Controller; and Catherine D. (Katie) Torrance, Accountant

Mr. Petrini introduced the members of his staff who were seated with him at the table and the following members of his staff who were in the audience: Michelle Addison, Water Treatment Facility Assistant Director; Thomas D. Alford, Operations Division Director; Allison M. Buschy, Assistant Operations Director; Jonathan R. (Jon) Clary, Solid Waste Division Director; Ralph E. Claytor, Design Division Director; Carol M. Danforth, Water Reclamation Facility Assistant Director; Owen Lee Maddox III, Construction Division Director; Russell Navratil, Water Treatment Facility Director; and Marchelle L. Sossong, Senior Engineer. He also noted the presence of Youngju Heo from South Korea, who was interning in his department. Mr. Petrini narrated a slide presentation on the Department of Public Utilities' operating budget for FY 2012-13. He began his presentation by addressing the department's participation in countywide initiatives, highlighting departmental savings achieved through the "changing the way we do business" effort, and explaining how the proposed budget maintains levels of service within the department. Mr. Petrini responded to questions from Mr. Kaechele and Mrs. O'Bannon regarding several cost savings measures implemented by the department at its Water Reclamation Facility and Water Treatment Facility through the use of new equipment. He continued his presentation by providing an overview of the current water and sewer systems, FY 2012-13 proposals for the Water and Sewer Enterprise Fund, water and sewer revenues and expenses, the Solid Waste Special Revenue Fund, and street lighting levies. Along with Mr. Alford, Mr. Hazelett and Mr. Vithoukas responded to questions from the Board concerning manhole cover costs and materials, the billing cycle for water and sewer customers, public notification of proposed water and sewer rate increases, the level of retained earnings in the Water and Sewer Enterprise Fund, and the allocation of funds for bond projects. There was discussion by Mr. Kaechele, Mrs. O'Bannon, and Mr. Mawyer pertaining to funding for the Cobbs Creek Reservoir project and the schedule for acquiring land for the project and constructing the reservoir. At Mr. Hazelett's request, Mr. Petrini identified and reviewed his department's various revenue sources. Mr. Hazelett reminded the Board that the County's public landfill is scheduled to close in FY 2014-15. He and Mr. Petrini responded to questions from Mr. Kaechele and Mr. Nelson relating to the impact of the closing on the private landfill in eastern Henrico, the future status of the employees who work there, and the cost of the transfer station that will replace it. Mr. Petrini responded to questions from Mrs. O'Bannon regarding expenses that are included within the Solid Waste Special Revenue Fund. Along with Mr. Claytor, he and Mr. Hazelett responded to questions from Mr. Nelson concerning the County's sanitary districts. Mr. Petrini offered to have his staff attend Mr. Nelson's district meetings or neighborhood meetings to provide more information on the purpose and funding of these districts. At Mr. Hazelett's request, Mr. Petrini reviewed the major projects included in his department's capital budget. In response to questions from Mr. Kaechele, Mr. Hazelett agreed to provide him and the Board with information explaining the funding sources for these projects.

Mr. Hazelett distributed staff's cumulative written responses to questions asked by the Board during the two previous days' sessions that required research and also distributed a copy of a solicitation for a 2012 property tax assessment analysis that some homeowners in the County have received from a private company as part of a new scam. Mr. Hazelett advised that staff would be putting out a press release the following morning alerting the public to the scam. Mr. Vithoukas explained the scam and clarified the correct process for citizens to follow in appealing their real estate

assessments. Mr. Hazelett then distributed a flyer that was placed on vehicles in the County's parking lot the previous day by an organization named Virginia Organizing. It stated that the Board of Supervisors is not moving forward on a plan to fund a proposal to expand public transportation in the area. Mr. Nelson stated that he knows the person listed on the flyer as a contact person and will call her. There was further discussion by Mrs. O'Bannon, Mr. Kaechele, and Mr. Hazelett pertaining to the property assessment analysis scam. Mr. Hazelett briefly reviewed staff's responses to the Board's questions from the previous day. Mr. Nelson expressed appreciation for the Legislative Budget Reviews. In response to a question from Mr. Nelson, Mr. Hazelett explained the format for the next day's review of the County's capital budget.

The Board adjourned for the day at 4:55 p.m. and reconvened at 10:06 a.m. on Thursday, March 22, 2012.

Members of the Board Present:

David A. Kaechele, Vice Chairman, Three Chopt District
Tyrone E. Nelson, Varina District
Patricia S. O'Bannon, Tuckahoe District
Frank J. Thornton, Fairfield District (departed at 12:29 p.m. and returned at 2:39 p.m.)

Member of the Board Absent:

Richard W. Glover, Chairman, Brookland District

Other Officials Present:

Virgil R. Hazelett, P.E., County Manager
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Administrative Assistant/Deputy Clerk to the Board
George T. Drumwright, Jr., Deputy County Manager for Community Services
Angela N. Harper, FAICP, Deputy County Manager for Special Services
John A. Vithoulkas, Deputy County Manager for Administration
Eugene H. (Gene) Walter, Management and Budget Division Director
William B. (Brandon) Hinton, Budget Supervisor
Justin D. Crawford, Budget Analyst
Marielle P. McFarland, Budget Analyst
Julian S. Parr, Budget Analyst
James A. (Adam) Rosatelli, Budget Analyst
Sharon Todd Van Gils, Budget Analyst

The Legislative Budget Reviews continued with the following presentations:

- Electoral Board – Mark J. Coakley, General Registrar; joined by Alice F. Creighton, Chairperson, Electoral Board; Terrill J. Richardson, Vice-Chairperson, Electoral Board; and Bebe W. West, Secretary, Electoral Board

Mr. Coakley introduced the members of the Electoral Board. He commented on his office's responsibilities in planning for the federal election in November and ensuring that the voting process is conducted fairly and impartially in Henrico County. He responded to questions from Mrs. O'Bannon relating to the 2012 primary election and new campaign finance reporting laws approved by the General Assembly that will become effective on July 1. Mr. Coakley responded to questions from Mr. Nelson concerning measures taken to handle large turnouts and minimize long lines in eastern Henrico County and the new process for handling provisional ballots that will take effect on July 1 as the result of state legislative changes. Mr. Nelson suggested it would be helpful for Mr. Coakley to address the Board at an upcoming work session with an update on Virginia's new election laws and provisional ballot process. Mr. Thornton acknowledged the County's stellar record in regards to its voting procedures but expressed a concern pertaining to the prospect of newer voters being intimidated or disrespected at the polls by more seasoned voters. At his request, each of the members of the Electoral Board commented on their commitment to fair and impartial voting procedures. Mr. Richardson also noted that the Electoral Board and Registrar's Office must comply with the Code of Virginia. Mr. Coakley responded to further questions from the Board of Supervisors relating to the County's pending precinct changes and process for notifying the public of these changes, the role of election officials on Election Day, voter registration deadlines, and assistance that voter registration drives can receive from the Registrar's Office. Mr. Kaechele thanked Mr. Coakley and the Electoral Board for being sensitive to issues of concern raised by members of the Board of Supervisors.

- MH/DS – Michael D. O'Connor, Director of Mental Health and Developmental Services; joined by Lynn A. Goodale, Assistant Director for Administrative Services; Michelle A. Johnson, Assistant Director for Community Support Services; Laura S. Totty, Assistant Director for Clinical Services; and Martha J. (Marty) Shepherd, Controller

Mr. Hazelett noted that Mr. O'Connor had a death in his family earlier in the week and expressed appreciation to Mr. O'Connor for attending this session. Mr. O'Connor introduced the members of his staff who were present. He narrated a slide presentation on the County Manager's recommended FY 2013 budget for Henrico Mental Health and Developmental Services (HAMHDS). During the first part of his presentation, Mr. O'Connor reviewed agency trends and highlights, including statistics and information regarding unduplicated consumers served, crisis and public safety related services, services to adults, services to youth and their families, maintaining the Board's Intellectual Disability (ID) day support initiative, and the trend of consumers needing funding. He responded to questions from the Board concerning some of the terminology and data contained in the slides. The second portion of Mr. O'Connor's presentation addressed how his agency is preparing for the future, including preparing for various components of healthcare reform such as implementing electronic health records and improving physical and consumer outcomes, measuring outcomes, and preparing to meet the demands of the Department of Justice settlement. He responded to a question from Mr. Thornton relating to the demographic group that is most affected by self-mutilation and to questions from Mr. Kaechele regarding sessions that treat depression in persons with diabetes and the increased expectations on ID case managers to oversee other providers and coordinate all healthcare.

Mr. O'Connor concluded his presentation by pointing to his agency's financial trends and challenges. He covered fixed cost increases, factors considered in bringing the budget to balance, doing business differently by re-engineering services to increase revenue, doing business differently to achieve efficiencies and budget reductions, other budget reductions, and FY 2013 revenue by source. Mr. O'Connor responded to questions from the Board concerning pharmaceutical services for agency clients, the health insurance exchange, and trends in the numbers and types of clients served by his agency. Ms. Totty responded to questions from Mr. Nelson pertaining to agency programs that serve clients in the County's jails and walk-in services that are provided in eastern Henrico. Mr. Kaechele complimented Mr. O'Connor and his staff on the informative presentation and for doing a good job in achieving efficiencies within the agency. Mr. Thornton expressed appreciation to Mr. O'Connor for doing a stellar job with the CONNECT program and Teen Job Symposium, and for providing services that help the County's at-risk youth.

The Legislative Budget Reviews continued with the following presentation:

- Recreation and Parks/Belmont Golf – Edwin C. (Neil) Luther IV, Director of Recreation and Parks; joined by Louise S. Evans, Controller

Mr. Luther introduced Ms. Evans and Elaine Elberly, a Varina District representative on the Parks and Recreation Advisory Commission. He also introduced the following members of his staff who were seated in the audience: Albert M. (Al) Azzarone, Capital Planning Manager; Andrew M. (Andy) Crane, Sports and Special Events Supervisor; Cindy Jo Daniel, Management Specialist; Franklin L. (Frank) Flanagan, Belmont Golf Course Maintenance Superintendent; Stephen M. (Steve) Hart, Capital Project Manager; Vincent H. (Vince) Henderson, Park Services Manager; Regina L. (Jeannie) Murray, Recreation Programs Supervisor; Deborah P. (Debbie) Nolen, Recreation Manager for Programs and Services; and Karen J. Perkins, Recreation Manager for History and Tourism. Mr. Luther shared a series of slides depicting the department's Summer 2012 program guide, park attendance highlights, recreation program highlights, recreation center usage, an Eastern Henrico Recreation Center Fitness Center snapshot, scenes from the department's parks and recreation facilities located throughout the County, special events attendance, and the economic impact of sports on the County. Along with Mr. Hazelett, he responded to questions from Mrs. O'Bannon and Mr. Kaechele relating to web streaming technology that the agency has installed at RF&P Park, the cost and usage of the County's dog park in eastern Henrico, and the economic impact of the Richmond Strikers' Jefferson Cup soccer tournament. Mr. Luther commented on his department's new tourism initiative that is supervised by Dawn Miller, the status of the Twin Hickory Park project, ways in which his department has responded to Mr. Hazelett's "Changing the Way We Do Business" challenge, and pending capital projects within his department.

Mr. Luther updated the Board on the impact of the economy and weather on Belmont Golf Course. Along with Mr. Hazelett, he responded to questions from the Board regarding the golf course's revenues and facilities, plans for expanding the department's sports tourism program, how the renovated Henrico Theatre is being used, how athletic fields and facilities are assigned to outside organizations, and the status of the department's 2005 bond

referendum projects. Mr. Thornton thanked Mr. Kaechele and Mr. Hazelett for their vision in preserving the historic Springfield School in the Three Chopt District, which served African-American students.

The Board recessed for lunch at 12:17 p.m. and reconvened at 12:39 p.m.

The Legislative Budget Reviews continued with the following presentation:

- Non-Departmental (continued) – Mr. Hazelett

Mr. Hazelett revisited the non-departmental requests, which were previously discussed with the Board during the March 20 session. He noted that new funding requests by organizations have not been approved during the past several years because of the impact of economic conditions on the County budget and then reviewed the five categories of supported activities. In response to questions from Mrs. O'Bannon and Mr. Kaechele, Mr. Hazelett explained how the VCU School of Engineering scholarships are funded through the County's EDA and advised that staff will schedule a work session later in the year to determine whether the Board wishes to continue supporting the scholarship program. Mrs. O'Bannon raised questions relating to funding requests from the Salvation Army, Leadership Metro Richmond, Maymont Foundation, and Greater Richmond SCAN (Stop Child Abuse Now). Mr. Nelson expressed concern that the Board is funding certain arts and cultural organizations to the exclusion of others. He also generally questioned the allocation process for non-departmental funds and suggested that there should be specific criteria for allocating funds to outside organizations. Mr. Kaechele agreed with Mr. Nelson that the Board should more closely examine non-departmental expenditures and establish criteria to ensure that the programs or organizations being funded have countywide benefit.

The Board recessed at 1:05 p.m. and reconvened at 1:12 p.m.

The Legislative Budget Reviews continued with the following presentation:

- Schools – Patrick J. Russo, Superintendent, joined by Diana D. Winston, School Board Chair; Beverley L. Cocke, School Board Vice-Chair; Lamont Bagby, School Board Member; Lisa A. Marshall, School Board Member; and John W. Montgomery, Jr., School Board Member

Mr. Kaechele welcomed the members of the School Board and Dr. Russo. He noted that Mr. Glover was recovering from surgery and Mr. Thornton would be arriving later. Mrs. Winston thanked the Board for this opportunity to meet and commented that preparation of the education budget is a year-round and transparent process. She noted that a new technical center will be placed at the County's newest high school, Glen Allen, and that a new elementary school will open in the fall of 2013 to help relieve the nine elementary schools that are currently over capacity. She thanked the Board of Supervisors for supporting this school in the County's last general obligation bond referendum. The School Board presented the members of the Board of Supervisors with an ornamental box that was made by students at Highland Springs High School. Dr. Russo referred to the FY 2013

education budget as the most challenging in his 26 years as a school superintendent. There are a number of different reductions in the budget and one-time revenues have been used to balance the budget. Dr. Russo pointed to increasing costs for retirement, group life, and health care. He referred to cost saving measures that are being implemented such as staffing reductions, PREP restructuring, staggered openings for elementary schools, and changes in transportation through staggered elementary school openings and parking buses at established control locations. He thanked Mr. Hazelett and the County staff for their cooperation on the budget. Dr. Russo and members of the School Board responded to a number of questions and concerns from the Board of Supervisors regarding the student laptop program, digital textbook technology, student population trends, school bus driver pay and hours, and the use of outside legal counsel. There was extended discussion by Mr. Nelson, Dr. Russo, the members of the School Board, and Assistant Superintendent for Exceptional Education and Research and Planning Bonnie Shay Gibson pertaining to factors contributing to the student achievement gap in the County's public schools and how this issue is being addressed by the School Board and the School administration. Mr. Nelson emphasized the need to show the community what is being done to support underachieving schools. There was also discussion by Mrs. O'Bannon, Dr. Russo, and Dr. Gibson relating to changes in the school system's gifted program and how gifted students are identified. In response to a question from Mr. Kaechele, Mr. Hazelett reported on the status of the General Assembly's action on the State budget

The Board recessed at 2:20 p.m. and reconvened at 2:30 p.m.

The Legislative Budget Reviews continued with the following presentation:

- General Services/CAM – Christopher L. Winstead, Director of General Services; joined by Ann D. Fortune, Controller

Mr. Winstead commented that he has been impressed with the caliber of leadership in his department since assuming his position as director of the department in July 2011. He introduced Mrs. Fortune and the following members of his staff who were seated in the audience: Edward J. Bass, Senior Capital Projects Manager; Charles A. (Charlie) Gibbens, Jr., Automotive Fleet Manager; Todd J. Pugh, Radio Systems Manager; Kelly E. Quinn, Chief of Security Services; Cynthia B. Smith, Risk Manager; and Jerry L. Walker, Energy Manager. Mr. Winstead advised that John H. Neil, Jr., will be leaving a position with the City of Richmond to begin employment with the County on March 26 as Assistant Director of General Services. He narrated a slide presentation on the General Services FY 2012/13 budget. During his presentation, Mr. Winstead reviewed the department's organizational structure, summarized changes in personnel and operating and capital changes in the proposed budget from the current year, identified the department's General Fund budget reduction measures, summarized changes to the department's Internal Service Funds for Central Automotive Maintenance (CAM) and Risk Management, and pointed to budget reduction measures for these two funds. He noted that he has conducted an online survey to obtain confidential feedback from his staff on the department's organization and based on the responses does not see the need to make significant structural changes. Mr. Winstead responded to a question from Mrs. O'Bannon regarding the impact of changes in public

school bus routes on the Internal Services Fund for CAM, to questions from Mr. Kaechele concerning the department's organizational structure, and to a question by Mr. Thornton pertaining to Mr. Winstead's commitment towards diversifying the ethnicity of his administrative staff. Mr. Thornton extended kudos to Mr. Winstead and Mr. Hazelett for providing and enhancing the Small, Women-Owned, and Minority-Owned Business (SWAM) Supplier Diversity Program. Mr. Nelson acknowledged the multi-dimensional nature of Mr. Winstead's position and joined Mr. Kaechele in thanking Mr. Winstead on doing a good job.

- Capital Projects - Mr. Hazelett

Mr. Hazelett narrated a slide presentation on the capital budget overview and highlights of the proposed FY 2012-13 annual fiscal plan. His presentation cited the individual departmental requests for FY 2012-13 through FY 2016-17 totaling \$1,833,712,265; the departmental capital requests included in the proposed capital budget totaling \$147,407,811; and five sources of funding for the proposed capital budget. Mr. Hazelett also reviewed the revenue sources listed in the budget document for requested and proposed capital projects. Following his presentation, Mr. Hazelett responded to questions from the Board relating to funding sources for vehicle replacement, how reductions in State aid to the General Fund are impacting the Capital Budget, and whether drainage projects should be given higher priority in the future. He advised that the proposed operating and capital budget will be advertised, without an increase in the County's tax rate, in the *Richmond Times-Dispatch* on March 25. Mr. Hazelett pointed that the County is in the worst economic situation he has ever encountered and that the recently adjourned session of the General Assembly was a disaster for local governments. There was discussion by the Board and Mr. Hazelett regarding the limited funding available for capital projects and the County's limited options in raising revenues other than through an increase in the real estate tax rate. Mr. Hazelett further advised that there is a movement in the General Assembly to eliminate the Business, Professional, and Occupational License (BPOL) tax as well as local machinery and tool taxes.

Mr. Kaechele, Mr. Nelson, and Mrs. O'Bannon thanked Mr. Hazelett and County staff for the informative, enlightening, and helpful presentations over the course of four days and for putting so much organization and enthusiasm into the budget preparation process. Mr. Hazelett distributed staff's cumulative written responses to questions asked by the Board during the three previous days' sessions that required research. He noted that staff will restore \$18,652 to the Public Relations & Media Services departmental budget so that the *Henrico Today* newspaper supplement can continue to be published quarterly. Mr. Hazelett concluded the four-day reviews by reminding the Board that the public hearing on the proposed operating and capital budgets will be held on April 10 and that the public hearing on the proposed water and sewer rate increases will be held on April 24.

There being no further business, the meeting was adjourned at 3:54 p.m.


Chairman, Henrico County Board of Supervisors