

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
March 10, 2015

The Henrico County Board of Supervisors convened a special meeting on Tuesday, March 10, 2015, at 5:00 p.m., in the County Manager's Conference Room, Administration Building, Henrico County Government Center, Parham and Hungary Spring Roads, Henrico, Virginia.

Members of the Board Present:

Frank J. Thornton, Chairman, Fairfield District
Tyrone E. Nelson, Vice Chairman, Varina District
Richard W. Glover, Brookland District
David A. Kaechele, Three Chopt District
Patricia S. O'Bannon, Tuckahoe District

Other Officials Present:

John A. Vithoukas, County Manager
Joseph P. Rapisarda, Jr., County Attorney
J. Thomas Tokarz, Deputy County Attorney
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Deputy Clerk to the Board/Administrative Assistant
Joseph A. Casey, Ph.D., Deputy County Manager for Administration
Jane D. Crawley, Deputy County Manager for Community Services
Randall R. Silber, Deputy County Manager for Community Development
C. Michael Schnurman, Jr., Legislative Liaison
Steven W. Knockemus, Assistant Director of Public Relations & Media Services

Mr. Thornton called the meeting to order at 5:03 p.m.

Mr. Vithoukas noted the first item on this special meeting agenda included an overview of the budget that was being introduced at the 7:00 p.m. regular meeting. In light of the length of the regular meeting agenda, the budget overview typically offered during that meeting was being provided at the special meeting. Mr. Vithoukas reminded the Board the proposed FY2015-16 budget would be discussed in detail during the four days of legislative budget reviews scheduled for the upcoming week. He also advised the Board that Ralph Whitt, outside counsel, would be presenting the closed meeting item listed on the special meeting agenda.

State Legislative Update and FY2015-16 Budget Overview

Mr. Vithoukas advised the Board the intent of the state legislative update was to cover some of the items that the County followed closely during the recently adjourned General Assembly Session. He recognized Mr. Schnurman, who narrated the legislative update portion of a slide

presentation on this item. Mr. Schnurman began the presentation by reviewing House Bill 1721, which was discussed by the Board at its February 10 special meeting. This legislation exempts from taxation the real property of the surviving spouse of any member of the armed forces of the United States who was killed in action. In order to qualify for the exemption, the surviving spouse has to occupy the property as his or her principal place of residence and cannot have remarried. Mr. Vithoukas pointed out this legislation required a constitutional amendment, which was previously approved by the voters. He advised the Board that the legislation was amended by the General Assembly during the 2015 Session so that surviving spouses whose property values exceed the locality's average assessed value (\$227,000 in Henrico County) are entitled to an exemption equaling the amount of the average assessed value. Under the original legislation, they would not have qualified for an exemption. He responded to questions from Mr. Kaechele and Mr. Glover.

Mr. Schnurman next briefly noted a \$28 million budget amendment relating to voting machines that was proposed by the Governor and eliminated by the General Assembly. The amendment would have paid for the one-time purchase of voting machines in localities across the Commonwealth and would have also required localities to replace direct-recording electronic (DRE) voting machines and any other non-qualifying voting equipment with equipment approved by the State Board of Elections by August 1. Although the amendment failed, the County's Department of Voter Registration and Elections still has plans to replace the County's DRE voting machines with digital-scan machines during the upcoming fiscal year and in time for the 2016 presidential primaries. Under current State requirements, the County must purchase the equipment from among four vendors certified by the State Board of Elections.

Mr. Schnurman reviewed two tourism related pieces of legislation, Senate Bills 1401 and 991. Senate Bill 1401, which was approved, increases the entitlement to state sales and use tax revenues for authorized tourism projects that meet the requirements to be tourism projects of regional significance, from an amount equal to the revenues generated by a one percent sales and use tax on transactions taking place on the premises of the project to an amount equal to the revenues generated by a 1.75 percent sales and use tax. In order for the tourism project to qualify for the entitlement, the locality is required to enact an ordinance dedicating an amount equal to the revenues generated by a one percent sales and use tax on transactions taking place on the premises of the project. Senate Bill 991, which failed, would have established the Virginia Tourism Growth Incentive Fund to attract new tourism and hospitality projects and expand existing tourism and hospitality projects in the Commonwealth.

Mr. Schnurman next explained House Bill 1887, which makes a number of changes to the Commonwealth's transportation funding formula, reporting requirements, and maintenance and construction allocations. Among other things, the legislation establishes the high-priority projects program and the highway construction district grant program and beginning in 2020 replaces the \$500 million annual allocation made by the Commonwealth Transportation Board and the current allocation formula to the primary, secondary, and urban highways with a new allocation of funds to good repair projects, high-priority projects, and highway construction district grants. Mr. Schnurman reviewed a slide comparing pre-2020 allocations with post-2020 allocations. Mr. Vithoukas and Steve Yob, Director of Public Works, responded to questions from Mr. Glover regarding the status of the funding formula and priorities.

established in the mid-1980s by the General Assembly in response to the Governor's Commission on Transportation in the 21st Century (COT-21). Mr. Vithoukas indicated to Mr. Glover that staff would elaborate on its answers to his questions during the following week's legislative budget reviews. He also advised the Board that language was clarified in House Bill 1887 after it was introduced to make the legislation more favorable to Henrico County.

Mr. Schnurman continued his presentation by discussing pending changes to the County's court system, noting that a fifth judge will be added to the Henrico Circuit Court effective November 1. The General Assembly elected John K. Honey, Jr., to this seat. Also, the General Assembly funded a salary supplement for General District Court Clerks. Catherine Hammond, Chief Judge of the Circuit Court, will retire on April 1 and will be replaced by General District Court Judge John Marshall, who was elected by the General Assembly to Judge Hammond's seat by the General Assembly. B. Craig Dunkum was elected by the General Assembly to replace Judge Marshall, effective July 1. Mr. Vithoukas advised the Board that Mr. Casey and General Services Director John Neal are working closely with Circuit Court Judge Lee A. Harris, Jr., and General District Judge Mary Malveaux to identify the location of a new courtroom that will be required to accommodate the new Circuit Court judge. The Board will act on a future budget amendment to fund the renovation costs for this project. More information regarding plans to reallocate existing space in the Courts Building for the new courtroom will be forthcoming to the Board. The location of the new courtroom will potentially impact the offices of the Circuit Court Clerk, Commonwealth's Attorney, and Sheriff.

Mr. Schnurman concluded his presentation by referring to the General Assembly's approval of the State budget (House Bill 1400 and Senate Bill 800). The General Assembly filled a number of funding gaps in the Governor's proposed budget as a result of revised revenue estimates.

In response to questions from Mrs. O'Bannon, Mr. Schnurman updated the Board on House Bill 1849, which was approved by the General Assembly. This legislation changes the standard by which a board of zoning appeals (BZA) can grant an application for a variance by eliminating or altering several of the requirements. Although the County opposed the bill in its original form, the version of the legislation that passed was less objectionable. Mr. Rapisarda pointed out the intent of the legislation is to make the decisions of BZAs friendlier to applicants seeking a variance. It heavily waters down the Virginia Supreme Court decision of *Cochran v. Fairfax County BZA*. Mr. Vithoukas advised the Board that staff would present more information at a future work session as to how the legislation may impact the County's BZA and zoning ordinance. Mr. Schnurman, Mr. Vithoukas, and Management and Budget Division Director Brandon Hinton responded to questions from Mr. Kaechele regarding the status of contributions by the General Assembly to the Virginia Retirement System.

Finance Director Gene Walter distributed notebooks to the Board containing the County Manager's proposed FY2015-16 operating and capital budgets. Mr. Hinton reminded the Board that it is the only legislative body in Virginia that goes through the budget line item by line item during weeklong budget reviews. He noted the Manager's proposed budget reinforces the Board's two major priorities, public schools and public safety, and would be

introduced as a general agenda item at the Board's 7:00 p.m. regular meeting. The budget will be available to the public in hard copy and online after it is introduced by the Board.

Mr. Hinton narrated a slide presentation concerning the FY2016 budget introduction. After reviewing a summary of general fund revenue, Mr. Hinton advised the Board that the proposed budget preserves the County's \$.87 real estate tax rate, allocates three-quarters of incremental general fund revenue growth to the public schools, includes a two percent salary increase for County employees, restores the maximum award allowed under State law (\$3,000) for tax relief for the elderly, adds ten new police officers, and lowers the machinery and tools tax rate from \$1.00 to \$0.30 per \$100 of assessed valuation. He also shared highlights of the education component of the budget, noting that 56 percent of the entire general fund budget is dedicated to schools, \$1.0 million in general fund revenues has been designated for school bus replacement, and \$150,000 has been budgeted for an academic enrichment pilot program. There was discussion by the Board, Mr. Vithoukas, and Mr. Hinton pertaining to a voting equipment replacement reserve in the proposed budget in the amount of \$1.0 million for future appropriation by the Board. In response to questions from the Board, Mr. Vithoukas explained the County's school bus replacement plan and elaborated on the new academic enrichment pilot program. He clarified for Mr. Glover that the pilot program is actually an extended day program as opposed to an afterschool program as it was referred to in Mr. Hinton's presentation. Mr. Thornton remarked he is exhilarated by the pilot program and characterized it as visionary. Mr. Nelson commented that he is also excited about this new program.

Mr. Hinton continued his presentation by pointing out \$2.3 million in ongoing real estate tax revenues from new development is being placed each year in a reserve account to meet Chesapeake Bay Total Maximum Daily Load (TMDL) permit requirements as established by the U.S. Environmental Protection Agency. He also touched on the local economic impact of sports tourism and the addition of \$6 million in the proposed budget for construction of the first phase of a planned multi-field soccer complex off of Greenwood Road. Mr. Hinton highlighted funding for 27 new positions associated with the future opening of the Libbie Mill and Varina Area Libraries; funding for Fire Station #19, the final 2005 General Obligation bond project; and an appropriation in the capital budget for construction of the Cobbs Creek Reservoir now that the County has purchased all of the parcels in Cumberland County necessary to move forward with this project. Mr. Hinton concluded his presentation by outlining the schedule for the budget introduction, review, public hearing, adoption, and appropriation. Mr. Thornton expressed pride in the County's budget staff for all their hard work in putting together a balanced budget and noted he looked forward to the following week's legislative budget reviews.

The Board recessed for dinner at 6:06 p.m. and reconvened at 6:13 p.m.

On motion by Mr. Glover, seconded by Mr. Kaechele, the Board approved going into a Closed Meeting at 6:13 p.m. for Consultation with Legal Counsel Concerning Specific Legal Matters Requiring the Provision of Legal Advice Pertaining to a Worker's Compensation Claim, Pursuant to Section 2.2-3711(A)(7) of the Code of Virginia, as Amended.

The vote of the Board was as follows:

<u>Aye</u>	<u>Nay</u>
Frank J. Thornton	
Tyrone E. Nelson	
Richard W. Glover	
David A. Kaechele	
Patricia S. O'Bannon	

On motion of Mr. Glover, seconded by Mr. Nelson, the Board approved going out of the Closed Meeting at 6:27 p.m.

The vote of the Board was as follows:

<u>Aye</u>	<u>Nay</u>
Frank J. Thornton	
Tyrone E. Nelson	
Richard W. Glover	
David A. Kaechele	
Patricia S. O'Bannon	

On motion of Mr. Glover, seconded by Mrs. O'Bannon, the Board approved the attached Certificate of Closed Meeting.

The vote of the Board was as follows:


<u>Aye</u>	<u>Nay</u>
Frank J. Thornton	
Tyrone E. Nelson	
Richard W. Glover	
David A. Kaechele	
Patricia S. O'Bannon	

Regular Meeting Agenda Items

Mr. Vithoukias introduced Brian Parker, who joined the Department of Human Resources this past year as the County's Risk Manager, and then distributed copies of the Police Division's 2014 Annual Report and a fact sheet on the Division's Technology-Enhanced Modern Policing Operations (TEMPO). He advised the Board some of this information would be covered in the Police Division's budget presentation to the Board during the Legislative Budget Reviews. Mr. Vithoukias noted four of the five members of the Board will be attending a Public Square forum on March 12 hosted by the *Richmond Times-Dispatch* to allow the community to meet the chief law enforcement officers from the City of Richmond and the Counties of Chesterfield, Hanover, and Henrico. Mrs. O'Bannon announced she will be unable to attend this event because it conflicts with her Planning Commission meeting.

Mr. Vithoukas provided an overview of the items on the agenda for the 7:00 p.m. meeting, noting staff had received requests from applicants to defer two zoning cases (agenda item nos. 57-15 and 320-14, Russell Jones and Bickford Senior Living). He noted there would likely be citizen opposition to three of the cases, requests by Gayton Properties, LLC; Kroger; and Kotarides Developers, LLC. He further noted a citizen had signed up to speak during the public hearing on agenda item no. 64-15, an ordinance to restrict through traffic on White Oak Road. In response to a question from Mr. Kaechele, Mr. Vithoukas updated the Board on the County's enforcement efforts on this road since an emergency ordinance addressing this matter was adopted by the Board at its February 10 meeting. Art Petrini, Director of Public Utilities, and Mr. Vithoukas responded to questions from Mrs. O'Bannon and Mr. Kaechele relating to agenda item no. 70-15, which would award a construction contract for a water treatment facility generator. Mr. Petrini agreed to find out for Mrs. O'Bannon whether generators of this type can run on natural gas rather than diesel fuel.

There being no further business, the meeting was adjourned at 6:49 p.m.


Chairman, Board of Supervisors
Henrico County, Virginia