

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
November 24, 2015

The Henrico County Board of Supervisors convened a special meeting on Tuesday, November 24, 2015, at 5:30 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
Rhysa G. South, Senior Assistant County Attorney
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Administrative Assistant/Deputy Clerk to the Board
Joseph A. Casey, Ph.D., Deputy County Manager for Administration
Jane D. Crawley, Deputy County Manager for Community Services
Timothy A. Foster, P.E., Deputy County Manager for Community Operations
Randall R. Silber, Deputy County Manager for Community Development
Steven W. Knockemus, Assistant Director of Public Relations & Media Services

Mr. Thornton called the meeting to order at 5:33 p.m.

Mr. Vithoukas briefly reviewed the items listed on the agenda for this special meeting.

Henrico Portion of Virginia Capital Trail

Mr. Vithoukas recognized Neil Luther, Director of Recreation and Parks, who commented that the Virginia Capital Trail is creating great energy for Henrico County and the Varina area. He noted it has involved a lot of local leadership and behind-the-scenes efforts. Mr. Luther narrated a slide presentation titled *Virginia Capital Trail in Henrico County*. After sharing a photograph of a bicycle statue, Mr. Luther provided background information on the Capital Trail and put it in context. He noted the trail is 52 miles long and connects Williamsburg and the State Capitol to historic areas in eastern Henrico County. The portion of the trail that runs through Henrico is approximately 16.4 miles long. Mr. Luther reviewed maps of the trail, highlighted its proximity to local landmarks and County facilities, and pointed out the 22 historic markers that are within

50 feet of Route 5. For the remainder of his presentation, Mr. Luther took the Board on a virtual tour by showing photographs of various locations along the trail, including aerial exhibits highlighting the Four Mile Creek trailhead and Dorey Park connector trail that will both be completed by May 2016. During and following his presentation, and with Mr. Foster's assistance, Mr. Luther responded to questions from the Board relating to the trail's features, location, and maintenance.

Mr. Vithoukas advised the Board that Mr. Foster and staff from the Department of Public Works were instrumental in having a section of the Capital Trail redirected so it would more closely tie in to Varina's parks and historic resources. He further advised that there was an item on the evening's regular meeting agenda to purchase 2.5 acres adjoining the trail at the southeast corner of New Market Road and North James Estates Drive for potential recreational use. There was discussion by Mrs. O'Bannon, Mr. Nelson, and Mr. Vithoukas pertaining to this acquisition. Mr. Nelson thanked Mr. Vithoukas and County staff for taking advantage of the opportunity to acquire this property for the County, which will enhance the Capital Trail.

The Board recessed for dinner at 6:04 p.m. and reconvened at 6:12 p.m.

Industrial Development Authority Bond Issuance for the Faison School of Autism, Inc.

Mr. Vithoukas introduced Rhysa G. South, Senior Assistant County Attorney, who in turn introduced the following persons: David Richardson, Bond Counsel and a partner with McGuire Woods; Amy Green, an associate with McGuire Woods; Wendy Kreuter, Vice President for Operations and Finance for the Faison School for Autism; and Bruce Kay, a benefactor of the Faison School. Ms. South noted the Faison School was asking the Board to pass a resolution concurring with the Dinwiddie Industrial Development Authority's (IDA) issuance of a bond to fund the school's improvements in an amount not to exceed \$6.5 million. By having the Dinwiddie IDA issue the bonds, the school will save about 1.25 percent in interest charges under federal tax laws, which will provide an additional savings for bonds issued by small issuers. The concurrence of the Henrico Board of Supervisors is statutorily required for these small issuer funding projects in Henrico and this Board has traditionally sought the Henrico Economic Development Authority's (EDA) recommendation before acting. The Henrico EDA reviewed the school's application for this request and held a public hearing during its regular meeting on November 19. No member of the public commented on the issuance and the EDA recommended that the Board consent to the school's request. Ms. South cited several examples of similar requests on which the Board has acted in the past. She advised that the Dinwiddie IDA passed a resolution approving the bond issuance at its November 23 meeting. The Dinwiddie County Board of Supervisors will be asked to act on this matter at its December 15 meeting and action by the Henrico County Board of Supervisors will be contingent upon final approval of the bonds by the Dinwiddie County Board of Supervisors.

Ms. South recognized Mr. Richardson, who explained pertinent federal tax laws and elaborated on why Dinwiddie County was chosen to be the issuer of the bonds. Mr. Richardson stated proceeds from the bonds will be used to pay off two loans that are outstanding and to purchase an old building previously used by Meals on Wheels. He recognized Ms. Kreuter, who gave some background information on the school, which serves children aged 2 through 22 years at all ends

background information on the school, which serves children aged 2 through 22 years at all ends of the behavioral spectrum. She noted the school opened a residential building last year that currently houses 12 Faison School graduates who have nowhere else to live and are learning the skills needed to live on their own. Mr. Glover complimented Ms. Kreuter on the appearance of the school. Mr. Vithoukas reminded the Board this item was on the evening's regular meeting agenda for the Board's consideration.

Audited Annual Financial Report Update

Mr. Vithoukas noted Mrs. O'Bannon and Mr. Glover sit on the County's Audit Committee and received a full audit report from the County's external auditor at a meeting of that committee earlier in the day. He recognized Gene Walter, Director of Finance, who narrated a slide presentation on this item. Mr. Walter began his presentation by noting four audit opinion reporting options for the audit of non-publicly traded entities - unmodified, qualified, adverse, and disclaimer. He noted the County has been given an unmodified opinion, which means its financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework. Mr. Walter next showed the Board graphs of the County's annual fund balances from fiscal years 2010 through 2015 and the portions of these balances that were unassigned versus assigned or restricted. Mr. Vithoukas and Mr. Walter responded to questions and comments from Mrs. O'Bannon by explaining that the unassigned fund balances are used for emergencies and not for general operations. They reviewed for Mr. Kaechele how the fund balances are invested. There was discussion by Mr. Glover, Mrs. O'Bannon, Mr. Vithoukas, and Mr. Foster of the application and reimbursement process the County must follow in qualifying for and receiving Federal Emergency Management Agency (FEMA) reimbursement.

Mr. Walter concluded his presentation by reviewing a chart highlighting the County's funded and unfunded pension liabilities resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 and by also reviewing a graph illustrating the impact of market changes since 2013 on the School Board's pension liability. In response to a question from Mrs. O'Bannon, Mr. Vithoukas reminded the Board that teacher pension liabilities resulting from GASB No. 68 is a topic that was presented in a work session leading into the 2014 General Assembly Session and is one that will continue to be discussed with the County's General Assembly delegation. He advised the Board that although the Commonwealth has increased funding for the teacher retirement plan during the past couple of years, local government school operating divisions still have to show their share of the unfunded liability. He elaborated further on the challenges localities face in complying with GASB No. 68.

Mr. Walter introduced Tim Connor of KMPG, the County's external auditor, and thanked Department of Finance staff and other County agencies for ensuring that KMPG gave the County a clean audit. Mr. Thornton commented on the importance of localities developing more tools and methodologies to sustain their dignity and worth and protect themselves from financial difficulties resulting from the actions of outside entities. Mr. Glover pointed to the key role the county manager form of government has played in sustaining the County's good fiscal management and preparing the County for the future.

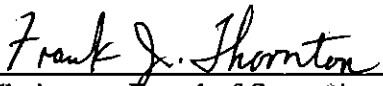
Regular Meeting Agenda Items

Mr. Vithoukas reviewed the agenda for the 7:00 p.m. regular meeting. He informed the Board of an award the Department of General Services recently received that would be the subject of a Manager's Comment and noted there was both a resignation paper and appointment resolution on the agenda relating to the Local Emergency Planning Committee.

After referring to the three public hearing items, Mr. Vithoukas advised the Board of two individuals who could potentially speak during the public comment period, a military veteran who is concerned about Syrian refugees being brought into the community and a Lynchburg resident who owns rental property in eastern Henrico that has been condemned by the County. Mrs. O'Bannon pointed out Catholic Charities USA has a resettlement program that has been helping Syrian refugees. Mr. Vithoukas thanked Mrs. Crawley for doing extensive research on this topic in case questions arise at the Board meeting. He confirmed for Mr. Kaechele that local governments have no control over where refugees settle when they enter this country. There was discussion among Mr. Nelson, Mr. Glover, and Mr. Vithoukas of the protocols and procedures for the public comment period at Board meetings.

Mr. Vithoukas resumed his review of the agenda by noting the items listed on the general agenda. In response to a question from Mrs. O'Bannon, Mr. Foster offered a brief history of the Virginia Department of Transportation's revenue sharing program that allocates state matching funds for local highway construction and maintenance projects.

There being no further business, the meeting was adjourned at 6:51 p.m.


Chairman, Board of Supervisors
Henrico County, Virginia