

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
February 23, 2016

The Henrico County Board of Supervisors convened a special meeting on Tuesday, February 23, 2016, at 5:15 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:

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

Other Officials Present:

John A. Vithoukas, County Manager
Joseph P. Rapisarda, Jr., County Attorney
Joseph T. Tokarz, II, Deputy 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
Timothy A. Foster, P.E., Deputy County Manager for Community Operations
Douglas A. Middleton, Deputy County Manager for Public Safety/Police Chief
Randall R. Silber, Deputy County Manager for Community Development
Tamra R. McKinney, Director of Public Relations & Media Services

Mr. Nelson called the meeting to order at 5:16 p.m.

Mr. Vithoukas briefly referred to the items listed on the agenda for this special meeting. He also alerted the Board that it would be receiving the *Financial Trend Monitoring-System (TRENDS)* report for Fiscal Years 2005-2015 later in the meeting.

Capital Region Taxicab Ordinance Proposed Changes

Mr. Vithoukas recognized Chief Middleton, who narrated a slide presentation titled *Proposed Changes to the Taxicab Ordinance*. Chief Middleton recognized the following staff members who worked with him on this item: Andrew Newby, Assistant County Attorney; Todd Eure, Transportation Development Division Director for the Department of Public Works; and Lt. Jim Price and Officers Craig Alviti and Campbell Hundley from the Police Division. He noted the reasons for the update pertained to the rapidly changing taxicab industry. Local taxicab companies are under tremendous pressure from new competition (Uber and Lyft) and want

greater freedom from regulation; the Capital Region Taxicab Advisory Board (CRTAB) faces an uncertain future because of legal and financial concerns; and the regional taxicab ordinances are no longer uniform, and staff from Chesterfield, Hanover, and Henrico Counties as well as the City of Richmond are working on proposed amendments to bring them back in sync.

During his presentation, Chief Middleton reviewed the current status and future of regional ordinances; the history of CRTAB, which was formed in 1990 to study and recommend changes to the region's taxicab ordinances; the history of the region's taxicab ordinances, which are reciprocal and until recently were virtually identical; the taxicab permitting process, which is mostly handled by local law enforcement agencies; the current status of CRTAB, which is only partially funded for FY16 and has not had a fiscal agent since Ridefinders recently terminated its relationship with CRTAB; and the future of CRTAB, which is scheduled to meet on April 7 to discuss this issue. Chief Middleton responded to several questions from Mrs. O'Bannon pertaining to the training and licensing of taxicab drivers and owners. He clarified for her that transportation network companies such as Uber and Lyft are regulated under state legislation so local governments have no authority over them. Mrs. O'Bannon expressed concern about the lack of local regulation of these companies.

Chief Middleton resumed his presentation by offering the following recommendations to the Board, although he noted staff was not asking the Board to take any action at this time: support the dissolution of CRTAB, develop training for the taxi industry by the local law enforcement agency that is responsible for regulating taxicabs, support changes to the ordinance that would allow greater flexibility for the operation of taxicabs in the region, and develop a permitting process through the ordinance that includes standardized fees and administrative processes. He cited the next steps as gaining regional consensus on ordinance amendments so that uniformity may be restored on or before July 1 and preparing to assume the duties of CRTAB in case it dissolves at the end of the fiscal year. Mr. Thornton commented he is always concerned about the availability of good transportation services and wants to ensure the County is taking the necessary steps in this regard. Chief Middleton expressed confidence that the Police Division can perform all of the functions for which CRTAB is currently responsible and do so more efficiently and at a lower cost. He responded to questions from Mr. Glover relating to the additional regulations and fees imposed by Richmond International Airport for local taxicab companies.

The Board recessed for dinner at 5:40 p.m. and reconvened at 5:59 p.m.

Prior to proceeding with the second item on the agenda, Mr. Vithoukas recognized Mike Cox, Assistant Chief of Operations for the Division of Fire. Chief Cox provided the Board with an update on the weather event that was forecast for the following day, February 24, beginning at approximately 1:00 p.m. He advised the Board that thunderstorms, high wind gusts, flash flooding, and tornado watches and warnings were likely. The Division of Fire was working with the Police Division to pull together the necessary resources to prepare for these conditions. Mr. Vithoukas thanked Chief Cox for his report and his department's efforts and promised to keep the Board informed as the event approached and the conditions unfolded.

Water and Sewer Connection Fee Update

Mr. Vithoukaskas recognized Art Petrini, Director of Public Utilities, who narrated a slide presentation titled *Proposed Water and Sewer Connection Fees for FY 2017-18*. Mr. Vithoukaskas pointed out it was appropriate to provide this update to prepare the Board for discussions that will occur during deliberations on the FY17 budget. Mr. Petrini began his presentation by advising the Board that the Department of Public Utilities entered into a contract in June 2015 with an independent firm, Burton & Associates, for a study to ensure the County is continuing to charge fair and equitable rates and fees. The objectives of the study were to update connection fees, conduct a revenue sufficiency analysis, and establish local benchmarking. He cited his department's recommendations, based on the study, as follows: reduce all connection fees; separate the fee category of "nursing homes and dormitories" into three categories – nursing facility, assisted living facility, and dormitory; continue the current fee methodology for Urban Mixed Use (UMU) development; and make the effective date of the changes July 1. His department is further recommending the creation of a new service connection category – "back-up service connection." Mrs. O'Bannon remarked she is glad to see a recommendation to make nursing facilities and assisted living facilities separate categories. Mr. Petrini confirmed for Mr. Branin that the dormitory fee is only applicable to University of Richmond student housing sited within Henrico County.

Mr. Petrini continued his presentation by explaining a spreadsheet quantifying the proposed reductions in water and sewer residential connection fees for the various categories of residential dwellings. He then explained a spreadsheet quantifying the proposed reductions in non-residential water and sewer connection fees based on the size of the meter. Mr. Petrini concluded his presentation by comparing the FY16 actual and FY17 proposed connection fees for the Counties of Henrico, Goochland, Chesterfield, and Hanover. He, Mr. Foster, and Mr. Vithoukaskas responded to questions from the Board regarding the study's methodology, the different categories of residential uses to which the fees apply, and the impact of the recommendations on the County's enterprise fund revenues for public utilities. There was discussion by Mr. Glover, Mr. Branin, Mr. Vithoukaskas, Mr. Petrini, and Mr. Foster concerning the utility charges paid by developers in Goochland County where water and sewer is provided by Henrico County.

Mr. Vithoukaskas concluded the discussions by pointing out the proposed fee changes will put the County in a better position for economic development and will also allow current and future water and sewer customers to receive the best possible rates. Mr. Petrini introduced the following members of his staff who were present: Operations Division Director Chan Bentley, Senior Controller Evelyn McGuire, and Senior Engineer Marchelle Sossong.

At this point in the meeting, Mr. Vithoukaskas and Director of Finance Gene Walter distributed the *TRENDS* report to which Mr. Vithoukaskas referred at the outset of the meeting. Mr. Walter recognized Brandon Hinton, Management and Budget Division Director, who offered highlights of this document. Mr. Hinton pointed out this is the 30th year the Office of Budget and Management has prepared this report prior to examination of the operating budget for the subsequent fiscal year. The report allows the Board to see historical information over an 11-year period, and Henrico is the only locality in Virginia that provides this type of document. Of the 27 individual trends identified in the report, only four are noted as warning signs – the same four as

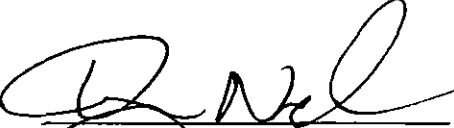
presented in last year's document. He elaborated on several of the key trends contained in the report for which there are no warning signs, including revenues/expenditures per capita, elastic operating revenues, employees per capita, and population. Mr. Hinton announced that the County collected more sales tax revenue in December 2014 than in any other month on record. He also commented that FY15 marks the first year since FY09 that employees have been added to the County's personnel complement. Mr. Hinton and Mr. Vithoukas responded to several questions from Mr. Glover pertaining to the Board's reduction of the personal property and business, professional, and occupational license (BPOL) taxes over the years. Mr. Glover stated he would like to see the County place a greater emphasis on informing the public about the more than 200 cooperative agreements Henrico has with other localities in the region.

Regular Meeting Agenda Items

Mr. Vithoukas reviewed the agenda for the 7:00 p.m. regular meeting, noting he had one Manager's Comment involving a recent honor received by Mr. Rapisarda. He covered the two public hearing items, including a resolution authorizing the issuance and refunding of water and sewer bonds. Mr. Vithoukas responded to several questions from Mrs. O'Bannon concerning bond refinancing. He then highlighted the four items on the general agenda. In response to questions from Mr. Nelson, Mr. Vithoukas elaborated on the memorandum of understanding (MOU) between the County and Economic Development Authority relating to the former Innsbrook Library. If approved, a resolution on the general agenda would authorize the County Manager to execute an amendment to the MOU, which provides that the EDA may lease the property to a business enterprise for a three-year term. Mr. Vithoukas identified the business as GENETWORx and explained that it does drug-response genetic testing to help patients receive the best outcomes with medications.

Mr. Vithoukas asked the Board to reach out to Mr. Hinton with any questions in regards to the *TRENDS* report. Mr. Branin asked for a list of the County's contributions to regional partnerships during the past five to 10 years. Mr. Thornton reiterated a suggestion made earlier by Mr. Glover that the County place greater emphasis on communicating its participation in regional partnerships. Mr. Vithoukas pointed out Henrico provides more financial support to regional efforts than any other locality. Mr. Vithoukas and Mr. Hinton responded to questions from Mr. Glover pertaining to the County's debt service for public utilities. There was brief discussion by the Board relating to how the County brands itself and identifies its borders.

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


Chairman, Board of Supervisors
Henrico County, Virginia