

Update

January 8, 2010

The newsletter of the
Virginia Municipal League

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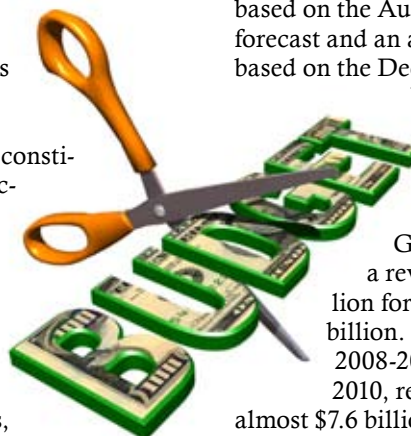


February 11

Localities feel brunt of state budget cuts

Gov. Tim Kaine's proposed amendments to the current fiscal year budget and his budget for 2010-2012 make fundamental changes to the relationship between the Commonwealth and its local governments.

Whether in the drastic reductions for funding for constitutional officials, the reductions and policy changes in education funding, or a range of proposals in human services, the proposals shift an unprecedented amount of costs to local governments. Indeed, local governments, the Virginia Retirement System and state employees will do the heavy lifting in balancing the state budget for the upcoming biennium. A detailed analysis of the proposed budgets prepared by VML's legislative staff is posted on VML's Web site at www.vml.org under the "What's New" heading.



Kaine's proposal for the remainder of FY10 (HB 29/SB 29) will require an additional \$340 million in cuts – \$229.8 million based on the August 2009 interim revenue forecast and an additional \$110.2 million based on the December forecast.

Under the governor's budget bill, the official general fund estimate is \$13.9 billion in FY10.

In contrast, the 2008 General Assembly endorsed a revenue estimate of \$17.2 billion for FY10, a difference of \$3.3 billion. In fact, by the end of the 2008-2010 biennium on June 30, 2010, revenue reductions will total almost \$7.6 billion.

As for the upcoming biennium (HB30 / SB 30), the revenue forecast assumes general fund revenues and growth of 3.8 percent to \$14.4 billion in FY11 and of 5.1 percent to \$15.2 billion in FY12 for a total of \$29.6 billion. Although this total is greater than the general fund revenues in 2008-2010 by

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VML to host webinar on collective bargaining

Congress appears poised to pass legislation that will require local governments to engage in collective bargaining with their public safety employees. How would such a law affect your local government? What would new requirements mean for you as a policy maker and employer? What would they mean for your community?

VML and the Virginia Association of Counties will be the hosts of a free one-hour webinar on this topic intended specifically for local governing body mem-

bers, chief administrative officers, local government attorneys and local human resources directors. The webinar will be held on Wednesday, Jan. 20, from noon until 1 p.m.

The webinar will feature James Meath, a partner with the Williams Mullen law firm in Richmond who is a labor and employment practice expert with significant collective bargaining experience. The webinar will include a presentation and time

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FROM THE CAPITOL

State budget cuts continued ...

\$1.1 billion, it is almost \$2 billion *less* than the general fund revenues in the 2006-2008 biennium.

The budget bills also depend on new fees and taxes, as well as tax increases. The recordation fee paid by new homeowners would be increased by \$10 with the revenue deposited to the Virginia Natural Resources Commitment Fund. The proceeds, estimated at \$9.1 million per year, would pay for agricultural best management practices to improve the water quality of Virginia's rivers and streams. A 0.5 percent fee would be imposed on property and casualty insurance premiums, raising \$44 million by FY12. The proceeds would be credited to a yet-to-be established Virginia Public Safety Fund, and would help the State Police pay for its new communications system, as well as support local law enforcement. A fee increase of 18 cents would be imposed by the state for each phone line now assessed the E-911 fee. The fee increase would raise more than \$20 million in FY12 to provide death and disability health benefits to the beneficiaries and eligible dependents of police, fire and emergency response officers who are killed or injured in the line of duty. The increase is needed to address the benefit program's estimated \$199 million unfunded liability.

The most controversial of the tax proposals calls for the state to impose a 1 percent income surtax, raising some \$2 billion in FY12. The purpose of the surtax is to provide localities the option of completely eliminating the Tangible Personal Property Tax on all personal use vehicles beginning in tax year 2011. In other words, cities, towns and counties that collect the car tax could swap it out for the income surtax. The surtax would be allocated using the same methodology now used to distribute the \$950 million car tax reimbursement program. Localities could use any "excess" receipts to make up for state budget cuts in other programs. Details on the proposal are scanty. The proposed budget eliminates the annual \$950 million reimbursement. If the legislative proposal to impose the surcharge is not adopted, either localities will lose the reimbursement, or an additional \$1.9 billion in

spending reductions in the biennium will have to be made.

The budget also eliminates the \$50 million a year across-the-board reductions in state aid to localities contained in the current budget.

How badly is the state budget bleeding? Let's answer the question this way. Take the spending approved by the General Assembly in the 2009 session and hold it constant through this year and the upcoming biennium. If you compare this level of expenditures to the new revenue forecasts for the same three years, the state would be \$3.2 billion below the balanced budget line. And, this is before the governor and General Assembly begin to consider how to make up for the loss of federal stimulus dollars, pay for more rigorous education standards, meet state transportation and public safety needs, and provide a secure "safety net" for Virginians who find themselves in the recession's clutches. According to the Virginia Department of Planning and Budget, the new spending pressures increase the general fund shortfall to \$1.8 billion in FY10 and to \$4.5 billion in the 2010-2012 biennium.

In FY10, HB29 / SB 29 includes

amendments to supplant sheriffs' general fund support with stimulus funding (\$109.5 million), eliminate textbook funding paid to school divisions (\$79.6 million), remove non-personal inflation factors used in funding the SOQ (\$61.3 million), use Literary Fund balances for teacher retirement rather than school construction (\$17 million), and cut other public education funding (\$18 million). Kaine also proposes to reduce state support for retirement and group life insurance contributions for the staff of constitutional officers (\$7.8 million) and cut per diem payments to local and regional jails by 5 percent to "save" \$3.6 million. These amendments and others total some \$344.6 million in cuts. Combined with the September plan reductions of \$854.3 million, the governor would cut FY10 spending by \$1.2 billion.

For the 2010-2012 biennium, over 80 percent of the \$3.4 billion in spending reductions are concentrated in 10 amendments. It is sad to note that the lion's share of the spending reductions target state-local programs. Moreover, these cuts are in addition to those proposed in the September Reduction Plan, and include:

Amendment action	Biennial savings
Eliminate car tax relief program	\$1.9 billion
Reduce support for teacher health care	\$269.2 million
Reduce funding for public school support staff	\$174.2 million
Use federal stimulus dollars for public education	\$126.4 million
Cut support for local law enforcement ('599' program)	\$88.4 million
Withhold inflation adjustments from hospital operating rates	\$76 million
Eliminate support for retirement/life insurance to constitutional offices	\$61.6 million
Require state employees pay portion of retirement contributions	\$55.7 million
Reduce eligibility for Supplemental Security Income program	\$53.3 million
Postpone increase in Mental Health waiver slots	\$39.2 million

FROM THE CAPITOL

Collective bargaining webinar continued ...

for questions and answers at the end.

Information about how to register for the webinar was sent via e-mail to VML member local governments on Tuesday, Jan. 5. If you are interested in participating and have not seen the registration

information, contact your manager or clerk.

A link to the presentation will be sent via e-mail to the participants only after the conclusion of the webinar. ❖

Navigating budget deliberations in a sea of red ink

There is a growing alarm among local elected officials as the details of Gov. Tim Kaine's budget proposals become known and work on real estate assessments near completion. Here is the latest in a series of snapshots showing some of what is going on across the Commonwealth.

Speaking to a partisan crowd, **Fairfax County** Board Chair Sharon Bulova urged state senators and delegates to avoid making deep cuts in the state budget by passing on expenses to county and city jurisdictions. She urged the General Assembly members to consider three principles: 1) do not shift the state's shortfall burden to localities, 2) do not make long-term structural changes in the relationship between the state and localities, and 3) do not manipulate the local composite index to deprive Fairfax County and other Northern Virginia jurisdictions of their share of state assistance for public education.

The **City of Roanoke** may be facing a lower bond rating from two of the three major credit rating agencies. Roanoke currently has a AA bond rating. In recent years, the city has used bonds to renovate city high schools and other high-profile projects, placing the city near its debt ceiling. Tough economic times and shrinking tax revenue have moved the city's debt load past certain thresholds important to bond raters. And that puts the city's rating with Moody's and the Fitch Group in danger of being downgraded. City staff have recommended to city council several measures to help avoid the downgrade, including the delay of planned capital projects and budgeting more money into the city's reserve fund.

Although average home sale prices in the Richmond metropolitan area dropped sharply in 2009, the first signals from Richmond-area assess-

sors is that tax assessments for 2010 will fall less dramatically. The **City of Richmond** is looking at a decrease of 5 percent to 6 percent, or \$1 billion in its tax base. The city is doing final reviews before sending out its notices later this month. In Richmond, real property taxes accounted for 41 percent of local revenues in FY08. The real estate base for **Hanover County** is down 1.5 percent, or \$200 million. Officials in **Henrico County** and **Chesterfield County** say they also expect declines in assessments. Also in FY08, real property taxes comprised 50 percent and 55 percent of Henrico's and Chesterfield's local revenues, respectively.

In **Virginia Beach**, the city faces a \$41 million budget shortfall, and is researching the technical issues of adding a garbage pickup fee to the existing water, sewer and stormwater bill. An \$8 monthly fee would generate sufficient funding to pay for about 175 city jobs. To fully fund the city's trash and recycling program, homeowners would have to pay \$21.40 a month. The city manager will present his proposed budget to city council in March.

In an unusual move, **Lynchburg** City Council will begin preliminary budget talks before the city manager presents his budget. Such deliberations usually occur in the spring after the city manager unveils his budget proposal in early March. The city manager asked council to start early because of the stark revenue and budget situation. The council will wrestle with six questions: 1) What are your priorities regarding services provided to citizens? 2) As cuts are considered, is there anything that is untouchable? 3) Which services, programs or activities could be stopped? 4) Are there any new initiatives you would like to consider? 5) What are your thoughts on actions to increase revenues? 6) What are your capital im-

provement priorities? City agencies are already at work preparing budgets that envision a 10 percent funding cut.

According to the *Daily Press*, even with a second slug of federal stimulus money to soften the blow, school districts on the Peninsula are struggling as they brace for cuts ranging from layoffs to closing schools. **Newport News** school district administrators reduced \$17.5 million from this year's budget by cutting 120 jobs and decreasing spending on supplies, travel and training. In FY11, the school board may need to increase class sizes, cut salaries, make students pay for AP exams, suspend field trips, and further reduce training. Closing an elementary school is another budget option. In **Hampton**, school officials recently revamped their layoff policy in preparation for making an estimated \$24 million in cuts in FY11. Those who might lose their jobs will be notified before the school superintendent presents her budget to the school board in February. **York County** administrators gave a list of possible reductions to the school board last month, noting that all staff reductions would be made by attrition. The list included central office staff; contractual services for instruction and operations; custodial, maintenance and technology staff; equipment and bus purchases; teacher's aides, staff development, teachers, technology refurbishment; and textbook and supply purchases. ❖

FROM THE CAPITOL**Mandates catalog available on line**

The Commission on Local Government has published its 2009 edition of the *Catalog of State and Federal Mandates on Local Governments*. The catalog may be downloaded from the Department of Housing and Community Development's Web site at: www.dhcd.virginia.gov/CommissiononLocalGov-

[ernment/PDFs/2009_mandates_catalog.pdf](#).

The catalog is not being printed this year.

Direct questions to Matthew Bolster at Matthew.Bolster@dhcd.virginia.gov; 804/371-8010. ❖

Transfer of Development Rights model available

Virginia law allows a fairly sophisticated transfer of development rights (TDR) program to be created by counties, cities and towns. TDR programs allow localities to identify areas where development should not occur and allow landowners to transfer the development rights in those areas to parts of the locality – or by agreement – to a city or town that is in the region. TDR programs allow localities to steer growth to the areas most appropriate and to preserve agricultural areas.

For cities and towns, in most cases, the municipality will provide the areas

that receive additional density when it is transferred from the outlying parts of the surrounding county. This works to offer cities and towns an additional method to grow and therefore to remain a vital part of the region.

VML has worked with the Virginia Association of Counties, planning groups, environmental groups and the development industry to come up with a model program that a locality can work from to create the program. The group that developed the model tried to address the many challenges the programs create. The model includes numerous

comments to guide any locality enacting a TDR program.

VML recognizes that a TDR program will not be suitable for all localities. However, in the right circumstance, the program can help the county and towns or city in the region. In addition, it is likely that a TDR program would work in concert with the urban development areas the local governments establish to handle future growth.

The model TDR program is available on the "What's New" portion of the VML Web site at www.vml.org. ❖

REGULATIONS**Proposed regulation**

Traffic Impact Analysis Regulations. The Department of Transportation has proposed amendments that allow more flexibility for local governments that develop small area plans for all of or a portion of an urban development area designated pursuant to §

15.2-2223.1 of the Code of Virginia, or for a transit-oriented development. Under the proposed regulations local governments may complete a single traffic impact statement (TIS) for all parcels included in the small area plan at the comprehensive plan stage of the development process. The traffic impact analysis would be used for the TIS required for any parcel within the

small area plan at the rezoning stage of the development proposal provided the rezoning is in substantial conformance with the small area plan. No public hearing will be held. For additional information, contact Robert Hofrichter, Department of Transportation, at 804/662-9612 or e-mail him at Robert.hofrichter@vdot.virginia.gov. ❖

ETCETERA**NLC announces Awards for Municipal Excellence**

The National League of Cities has launched its 2010 Awards for Municipal Excellence program. The program honors outstanding programs that improve the quality of life in communities across the country.

You may nominate an innovative program in your city that has improved the quality of life for residents by: forming successful and productive partnerships or collaborations; effectively managing resources; creating innovative government policies; or implementing projects with tangible positive results. The awards are sponsored by CH2M HILL.

Cities of all sizes are welcome to sub-

mit nominations beginning in February. Two winners will be selected in each of four population categories. The deadline for all submissions is May 5.

The eight winning programs will receive awards of either \$1,000 or \$2,000, and will have the honor of being publicly recognized for their outstanding achievements at a ceremony at NLC's Congress of Cities Conference and Exposition in Denver this fall.

To learn more about how you can recognize an innovative program in your city, and to obtain a copy of the 2010 nomination packet, e-mail awards@nlc.org, or visit www.nlc.org. ❖

ETCETERA**Conference to focus on role of arts in economy, tourism**

The annual ArtWorks for Virginia conference, sponsored by the Virginia Commission for the Arts and Virginians for the Arts Foundation, will be held Jan. 26-28 in Richmond.

Artists, board and staff members of Virginia arts organizations, local government and economic development officials, arts educators, and arts advocates will attend.

The conference will feature a free pre-conference day Jan. 26 on using Arts and Cultural Districts as an economic development tool and as support for local

artists and arts organizations. The pre-conference will also feature a session on Public Art, with a close look at Baltimore's Axis Alley, through which public art has been created on 23 vacant properties to transform a neighborhood.

Virginians for the Arts' annual Legislative Reception will be held Jan. 27. Arts Advocacy Day at the General Assembly will take place Jan. 28.

Detailed information and registration for ArtWorks 2010 and Virginia Arts Advocacy Day can be found on the VFTA website at www.Vaforarts.org. ❖

Welcome new VML sustaining members!

Several firms recently joined VML as sustaining members. Please welcome:

Taylor NorthEast Franklin (www.tnefranklin.com) offers a broad range of industrial cleaning products and services. These include new and used equipment, sales, leasing, rental equipment, on-the-spot repair service, replacement parts, and floor cleaning chemicals and coatings. The company services Maryland, Washington, Delaware and Virginia.

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CPS Human Resource Services

(www.cps.ca.gov) is a self-supporting public agency providing a full range of human resource services to the public and nonprofit sectors. They have expertise in delivering HR management and consulting services, employment testing, assessment services, and applicant tracking software to government agencies throughout North America. CPS provides organizational strategy planning models and systems to assist agencies in the recruitment, selection, and development of employees.

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916/471-3462; fax 916/561-7262
Teresa@cps.ca.gov ❖

POSITIONS**Longer version of job ads posted at www.vml.org**

Because of the number of requests it receives to publish job advertisements, VML reduces the length of the position descriptions in Update. A full version of the entire job listings published here for the past two months appears on VML's Web site at www.vml.org. Visit the VML site and click on "Marketplace" to read the complete descriptions.

Senior Policy Analyst, Virginia Department of Housing and Community Development (Richmond)

SALARY: \$48,000-\$63,000 (+) benefits. Provide technical and logistical support to the Commission on Local Government. Responsibilities include collecting and analyzing data, drafting reports on local boundary changes and governmental transition issues, as well as other types of inter-local issues, oversight of assessment of state and federal mandates on local

governments, identification of mandates and preparation of an annual catalog, conducting survey of and preparing annual report on cash proffer utilization. Prefer advanced degree in planning / administration or equiv. combination of training and experience. To apply, you must complete a state application through the on-line employment system -- <https://jobs.agencies.virginia.gov>. Additional information at 804/371-7000. Job # 00313. Deadline: Feb. 10. EOE.

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POSITIONS

Treasurer, Appomattox

SALARY: DOQ/DOE (+) benefits. (pop. 1,761) Maintain town financial records; present monthly financial statements to town manager for disbursement to Town Council; responsible for long-range financial planning, maximization of return on investments and assisting with preparing annual bdtg. Prefer bachelor's degree. Reqs. min. of associate's / technical degree with coursework in public administration, business or related field and considerable exper. in local govt. or equiv. combination of educ. and exper. Town application req'd. Submit application, resume and cover letter, to: Town of Appomattox, P.O. Box 705, Appomattox, VA 24522. More info at 434/352-8268 or fguill@appomattoxva.gov. Deadline: Feb. 1. EOE.

Technology Manager, Merrimac Center (Middle Peninsula Juvenile Detention Commission)

SALARY: \$45,000-\$60,000 (+) benefits. Provide technical expertise in use and maintenance of security access control, video surveillance, Local Area Network, video conferencing, electronic monitoring, internet website and associated systems in a juvenile detention center setting. Reqs. ability to work flexible schedule; min. 3-5 yrs. network administration exper.; MCSE preferred. Also reqs. ability to administer Microsoft Server, Exchange Server, SQL Server, Citrix Server, routers and firewalls. Knowledge of security video, DVR and HMI/PLC systems a plus. Application screening begins Feb. 1. Open until filled. EOE.

Building Official, Floyd County

SALARY: Negotiable DOQ (+) benefits. Performs supervisory and technical work in administering and enforcing Va. Uniform Statewide Building Code. Administers county's Erosion and Sediment Control Ordinance, Flood Plain Ordinance and related regs. Supports subdivision agent. Prefer: graduation from H.S., supplemented by 2 yrs. post-secondary educ. or technical instruction in building technology, construction mngmnt., mechanical, electrical, plumbing or building construction; 4 yrs. exper. in general construction and related fields; or any equiv. comb. of educ. and exper. Must satisfy certification

regs. set forth in Va. Uniform Statewide Building Code within specified time. Call 540/745-9300 for full position description. Submit cover letter, resume and state application to: County Administrator, P.O. Box 218, Floyd, VA 24091. Deadline: Jan. 29. EOE.

Finance Officer, Pamlico County, N.C.

SALARY: DOQ/DOE (+) benefits. Reqs. extensive govt. accounting knowledge and exper.; financial mngmnt. exper. with capital projects and asset accounting, including bond sales. Must be able to obtain GFO certification within 1 yr. Send resume and salary history via e-mail to: Leigh@youngandassociates.com. More info: David Young at 828/691-6555. Open until filled. EOE.

Risk Management Specialist, Charlottesville

SALARY: \$42,286-\$61,942 hiring range. Organizes, administers and coordinates activities related to casualty and property claims mngmnt., worker's compensation program, insurance administration and loss control. Reqs. college degree with 2 yrs. exper. and/or training in risk management field, and/or considerable exper. in field of insurance and/or risk management. Apply online at www.charlottesville.org/jobs; phone 434/970-3490. Deadline: Jan. 22. EOE.

Human Resources Director, Winchester

SALARY: \$70,000-\$100,000 (+) benefits. (appx. 500 FTE) Responsible for city's centralized HR functions, including payroll and benefits, as well as training and development. Advises city manager and city council on HR matters; assists in development of operating bdtg.; consults with city depts. on matters related to recruitment, selection, classification, compensation, performance mngmnt. and employee relations. Reqs. bachelor's degree in relevant field (master's preferred) with significant HR exper. Former applicants will be considered and need not re-apply. Apply: City Manager, Rouss City Hall, 15 N. Cameron St., Winchester, VA 22601. www.winchesterva.gov/employment. Open until filled. EOE.

Other positions

NOTICE: The following positions also are listed on VML's Web site at www.vml.org.

Hazardous Materials / Safety Officer, Manassas

SALARY: \$62,795-\$75,000 (+) benefits. Open until filled.

Police Chief, Lexington

SALARY: Mid-\$60,000 range (+) benefits. Deadline: Jan. 8.

Director of Library Services, Gloucester County

SALARY: \$53,788-\$80,682 (+) benefits. Deadline: Jan. 14.

Director of Community Development, Augusta County

SALARY: \$69,347-\$97,986 DOQ/DOE (+) benefits. Deadline: Jan. 8.

Director of Economic Development, Suffolk

SALARY: \$89,313-\$118,339 (+) benefits. Open until filled.

Purchasing Agent, Suffolk

SALARY: \$57,877 - \$75,241 (+) benefits. Open until filled.

Director of Finance, Brunswick County

SALARY: DOQ/DOE (+) benefits. Open until filled.

DEADLINE: The deadline for placing a job advertisement in the next issue of Update is Friday, Jan. 15. Submit ads via e-mail to David Parsons at dparsons@vml.org. VML publishes job advertisements at no cost to its local government members. Non-members are charged a flat rate of \$25 per ad per issue, which includes posting on VML's Web site and publication in Virginia Town & City (deadlines permitting). VML edits position descriptions in printed publications because of space limitations.



VML, VACo co-sponsor Legislative Day Feb. 11

Richmond Marriott

The Virginia Municipal League and the Virginia Association of Counties will sponsor Legislative Day on Thursday, Feb. 11, at the Richmond Marriott, located at 500 E. Broad St. in downtown. VML and VACo staff will report on legislation affecting local governments, then local officials are encouraged to participate in committee meetings and lobby state legislators at the Capitol. Local officials are strongly encouraged to take their legislators to dinner. Please invite them soon.

To register, mail this form and a check (payable to VML) for \$40 per person to:
VML, P.O. Box 12164, Richmond, VA 23241. Fax (804) 343-3758.

Officials who need to stay overnight at the nearby Richmond Marriott Hotel can get a special rate of \$123 for a single or double room. Call the hotel at 800-228-9290 and use the special code VACO/VMLLEGDAY.

Deadline for hotel reservations is Jan. 29.

For more details, call VML at (804) 649-8471, fax (804) 343-3758 or e-mail@vml.org.

PROGRAM SCHEDULE

- 9:30 a.m. VML Executive Committee meeting
- 11 a.m. Registration
- Noon VML and VACo staff legislative briefings (box lunch provided)
- Afternoon Visits to state Capitol
- 5:30 - 6:30 p.m. Cash bar reception for local officials
- Evening Make plans now to take your state legislators to dinner!

Enclosed is a check (\$40 per person) payable to VML for the following people to attend:
VML does not take credit cards.

Name _____ Name _____

Title _____ Title _____

Name _____ Name _____

Title _____ Title _____

County/City/Town/Organization _____

Mailing Address _____

Phone _____ Special Accommodations _____

(If necessary, attach a list of additional names with titles.)

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