Happy budget season!

Celebrate all that the season offers (and takes) with our experts.

Inside:
- A budget primer
- Understanding Virginia’s budget process
- A budget perspective
- ...and more!
Workplace safety isn’t regulated to OSHA standards. The Virginia Risk Sharing Association (VRSA) offers resources and consulting services to assist members in identifying and addressing issues that could lead to workplace violence.

Resources and services include: access to the STOPit Anonymous Reporting application for bullying/harassment; physical site assessments with recommendations for strengthening security; HR consulting to assist members in navigating grievance procedures or other sensitive employment topics; and communications consulting to assist members in communicating with the public in times of crisis.

This, in addition to workshops and webinars on topics such as: Active Shooter/Workplace Violence Prevention; Workplace Violence Communications; Bullying in the Workplace; Harassment in the Workplace; Supervisor Liability; and more.
The magazine of the Virginia Municipal League

VOL. 54   NO. 9   NOVEMBER 2019

About the cover
Most everyone enjoys making money. Some people enjoy spending money while others prefer to save. Local and state governments are made up of people, so why should they be any different? In this issue we explore the mechanism by which governments make plans to spend or save money: Budgets!

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WITH NOVEMBER 5th finally behind us, I am so happy that the signs are coming down, the commercials have stopped and the robocalls have ceased. Congratulations to all our newly elected officials; we look forward to meeting you and working with you to improve local governments throughout the Commonwealth. My favorite VML winter event is the Newly Elected Officials conference. This training and information summit will occur on January 10th in Charlottesville – please plan to attend – everyone is welcome! It is a great opportunity to meet colleagues and learn about local government and VML. If you are not already a subscriber, please sign up for our eNews bulletin (just visit our website and look for it under “Publications”) so you can hear about all our events and actions.

In the weeks leading up to the election, and in the weeks that have followed, the most asked question we’ve received is “What will be the effect of the elections?” I have spent a lot of time listening to various theories. After careful consideration of all opinions and considering my experience and the decades of experience among the VML staff plus those of the political experts we associate with, I have reached the following conclusion...we have no idea! Until the General Assembly starts all the theories, while fun to talk about, are just that; theories. The bottom line is that there are many new personalities coming to Richmond in January that we hope can learn to work together. Please let us know if you have a chance to talk with your legislators and what, if anything, we can do to help them with the transition. VML has reached out to many of these new legislators and we will continue our outreach efforts to ensure that legislators know what VML does for local governments – not just during the session, but year-round. The second most asked question is “Will the Dillon rule go away?” For this question I think I have a good answer: It is too entrenched in Virginia’s history to ever disappear. Apologies to those who were hoping for a different answer.

Which leads to my next observation about the coming session, best summarized in one word: Civility. This revered southern trait is going to be of utmost importance during this session. There are many volatile issues swirling around the rumor mill and it is important to disagree respectfully and with civility. So, with that said, you can rest assured that I will not be tweeting any of my opinions!

On December 5th bills will begin to be introduced for the upcoming 2020 General Assembly Session and on December 17th the Governor will present his proposed budget. In follow up to the proposed budget, VML in partnership with the Virginia Association of Counties (VACo) will host the annual Finance Forum on January 6th at the Delta hotel in Richmond. This event will provide a snapshot of the state budget and how it will affect localities along with some colorful commentary on Virginia politics. For all the reasons outlined above, I encourage you to attend since it will be a session full of potential financial ramifications to localities.

Legislative Day is always a fun event. This year VML, VACo and the Planning District Commissions will host the event together on February 6th. As in years’ past, Legislative Day is full of information and offers an opportunity for you to interact with your legislators and have dinner with them as well. Please get this date on your calendar (and theirs) ASAP.

Finally, let me conclude by saying that I am thankful for our members and wish your family a safe and Happy Thanksgiving!
VML connects you with a variety of networking and professional development events. Learn about these opportunities at vml.org/events.

**Jan. 6, 2020**
2020 VML/VACo Finance Forum
Delta Hotel by Marriott Richmond, 555 E. Canal St., Richmond, VA

**Jan. 10, 2020**
Newly Elected Officials Conference
Thomas Jefferson Planning District Commission, 401 Water St. E., Charlottesville, VA

**Feb. 6, 2020**
2020 VML Legislative Day
Omni Richmond Hotel, 100 S. 12th St., Richmond, VA

**REGISTER NOW FOR THESE EVENTS AT VML.ORG**
People

Dooley receives Finnegan award

Fredericksburg City Attorney Kathleen A. Dooley received the Edward J. Finnegan Award for Distinguished Service from the Local Government Attorneys of Virginia, Inc. at the LGA’s conference in Williamsburg in October.

The award recognizes an individual in the Commonwealth of Virginia who has made significant contributions to local government law or the LGA.

Dooley has served as the city attorney in Fredericksburg since 2004. Prior to that she was the town attorney in Blacksburg and an assistant city attorney in Chesapeake. She is a past president of the LGA and of the Virginia Women Attorneys Association. Dooley served for several years as a member of the Virginia Freedom of Information Advisory Council and is a member of the Virginia State Bar Committee on Legal Ethics and the Board of Governors of the Virginia State Bar Local Government Law Section.

Dooley earned an undergraduate degree in 1982 from Wells College in Aurora, NY and a law degree from the State University of New York in Buffalo.

Tynes returns to Isle of Wight school board

Smithfield Town Council Member Denise Tynes will return to the Isle of Wight School Board as a result of elections held November 5. Tynes has served on the Smithfield Town Council since 2008 and previously served on the Isle of Wight School Board from 2011 to 2015.

A retired educator, Tynes also serves on the Isle of Wight Commission on Aging and has served on VML’s Legislative Committee and Human Development and Education Committee.

Fox Simkins appointed as Herndon risk manager

Roxann Fox Simkins has been appointed to the newly-created position of risk manager in the Town of Herndon. She will begin the job in December.

Fox Simkins will plan and manage the town’s insurance and risk programs. She has held positions of increasing responsibility at GEICO, culminating in a seat on the insurance company’s Claims Liability School management development team.

In the media release announcing the appointment, Town Attorney Lesa Yeatts said that “The establishment of this position fulfills a primary objective of the Town Council, to ensure that the town operates in a manner that optimizes productivity on behalf of citizens while mitigating unnecessary risk.”

Whitten tapped as county attorney

Daniel Whitten has been named the county attorney in Prince George County. Whitten was formerly the county attorney in Warren County and began work with the county as an assistant county attorney in 2010.

Whitten is a graduate of the William
Suffolk attains AAA ratings by all three rating agencies

THE CITY OF SUFFOLK achieved its first AAA rating from Moody’s Investors Service in October and had its AAA ratings reaffirmed by Fitch and Standard & Poor’s Rating service.

Fitch Ratings remarked that Suffolk’s economy has benefited from economic diversification and sustained business investment as well as infrastructure improvements that will expand distribution routes. Standard & Poor’s Rating service recognized Suffolk’s strong management guided by robust policies and planning frameworks.

Suffolk joins 14 other localities in Virginia that have received the highest credit rating from these three rating agencies.

Charlottesville project receives environmental justice small grant

CITY SCHOOLYARD GARDEN in conjunction with Charlottesville City Schools, the Urban Agriculture Collective of Charlottesville and the Charlottesville Food Justice Network recently received an environmental justice grant from the U.S. Environmental Protection Agency. Under the program, eight schoolyard gardens and three urban agriculture farm sites will produce an estimated 10,000 pounds of fresh produce for families and engage over 3,500 youth. Each garden site includes ecologically sound practices such as water collection and reuse, composting, cultivation of native and wildlife habitats, agroforestry projects and pollinator gardens.

This year EPA received applications under this grant program from 208 organizations and awarded 30 projects in 27 states and Puerto Rico. Projects will receive approximately $30,000 each for a one-year project period. City Schoolyard Garden was the only project in Virginia to receive funding.

The EPA program provides support to organizations that otherwise lack the funding and resources to address environmental challenges in underserved and overburdened communities. City Schoolyard Garden is a nonprofit organization that operates solely on the support of individuals, businesses and foundations.
**Hampton named as one of the best cities for retirees**

Hampton IS ONE of the best cities in the nation for retirees, according to data compiled by the U.S. Chamber of Commerce. The list was designed “to ensure that you make the most of your golden years and spend them in a place that you love,” according to the announcement.

The data ranked all U.S. cities with a population of 10,000 or above on factors including age of population, overall poverty rate, level of education, housing costs, crime rates and number of doctors.


**Waynesboro receives two economic development awards**

THE CITY OF WAYNESBORO received two Excellence in Economic Development Awards from the International Economic Development Council (IEDC) in the “less than 25,000 population” category at the IEDC annual conference in Indianapolis in October. The Council recognized the city for two website projects initiated in 2018.

WaynesboroBusiness.com, the city’s development site, received a silver award in recognition of its redesign and update. According to the city’s media release, the easy-to-navigate site includes information on workforce development, incentives, maps, available properties, and quality of life.

The second project, NaturesCrossing.com, received a bronze award. This website, which showcases the development of a new 170-acre industrial park scheduled to be available in 2023, provides information for businesses looking to expand or move to Waynesboro.

The IEDC awards honor organizations and individuals for creating positive change in urban, suburban, and rural communities. This year, IEDC received more than 400 submissions from 12 countries.

**Richmond selected to participate in NLC workforce support initiative**

THE CITY OF RICHMOND has been selected to participate in an 18-month technical assistance initiative called Cities Addressing Basic Needs to Promote Postsecondary and Workforce Success. As part of the program, the National League of Cities (NLC), with support from the Kresge Foundation, will offer technical assistance to the city’s efforts to build strong and equitable pathways to postsecondary and workforce success. The initiative focuses on removing barriers to success after high school, such as a lack of food, housing, childcare or transportation, which often get in the way of obtaining postsecondary degrees or certificates.

Richmond is one of seven cities participating in the program. The others are Chula Vista, CA; Rochester, NY; Denver, CO; Oakland, CA; Philadelphia, PA; and San Diego, CA.

**Vienna wins two ‘Voice of the People’ awards**

THE TOWN OF VIENNA was among 22 communities nationwide recognized October 21 at the 2019 International City/County Management Association (ICMA) conference in Nashville for delivering quality-of-life services to residents. Vienna received awards for Excellence in Recreation and Wellness and Excellence in Education and Enrichment.

Voice of the People awards, which are presented jointly by the National Research Center, Inc., Polco, and ICMA, are based on citizen responses to the National Citizen Survey (to be called the National Community Survey in the future).

The survey reports residents’ opinions and satisfaction with local government and services with a scientific, representative sample approach and allows participating jurisdictions to benchmark their ratings with other communities across the country. Survey results are used to inform budgeting, performance measurement, and program planning.
**York County offers business incentive programs**

TWO GRANT PROGRAMS created by the York County Office of Economic Development are now in operation. The Business Growth Grant program offers a grant of up to $2,500 to home-based and commercial businesses. The grants are targeted to initiatives that will help businesses grow and can be used for anything related to the business (i.e. property improvements, equipment, tools, professional services, new computers, digital advertising, etc.).

The second program, the Commercial Corridor Property Grant, is aimed at commercial businesses, which can apply for a grant of up to $10,000 that can be used for exterior external improvements, such as signs, hardscaping, windows, awnings, landscaping, lighting, parking areas and sidewalks. The grants may be used as a match for any available state grant funds.


**Winchester police launch anti-fraud campaign**

THE WINCHESTER POLICE DEPARTMENT (WPD) has launched a public awareness campaign titled “Fight the Fraud Inferno” to educate residents about safeguarding their personal information and protecting their finances.

The campaign began with the distribution of an educational flyer at a senior fall festival event in October. WPD personnel will work with community partners to help distribute the educational materials and the plan is for the campaign to include the release of videos and other promotional materials on the WPD social media pages.

For more information, please visit www.winchesterpolice.org/crime-prevention.

**Loudoun County undertakes fatherhood initiative**

THE LOUDOUN COUNTY DEPARTMENT of Family Services has a 12-week program underway that is designed to help fathers develop skills they can use to be more involved in their children’s lives. Area fathers were invited to register for the National Fatherhood Initiative’s 24/7 Dad® program, which began October 7.

Developed by fathering and parenting experts, the 24/7 Dad® program focuses on key fathering characteristics, providing fathers with support and guidance, and an opportunity to discover their own parenting strengths.

**Fredericksburg, Charlottesville ranked in top 30 small cities nationwide**

FREDERICKSBURG HAD THE TOP ranking in Virginia for quality of life in WalletHub’s 2019 “Best Small Cities in America” study. The city ranked 23rd of more than 1,200 U.S. cities with populations between 25,000 and 100,000. Charlottesville ranked 25th.

The survey was based on 42 key indicators of livability, including factors such as housing costs, quality of schools, and restaurants per capita. The full study can be found at wallethub.com/edu/best-worst-small-cities-to-live-in/16581.
Herndon plans to install smart city technologies

THE TOWN OF HERNDON HAS ENTERED into an agreement with Vivacity DC, Inc., to install “smart city” technologies, including free WiFi and Internet-of-Things (IoT) sensor equipment in downtown Herndon. The pilot program began this summer and will continue for two years. The project is currently in the site plan review phase.

The pilot project includes the replacement of five existing streetlight poles with LED smart poles. Other elements of the program are a public Wi-Fi network downtown, installation of an electric vehicle charging station, and IoT sensors for other smart city services.

The pilot project will allow Vivacity and the town to evaluate expected cost savings, determine the potential for reduced carbon emissions, understand the effect of improved mobile coverage, gather data on bicycle and pedestrian flow on the W&OD trail, and evaluate the cost and usage of the electric vehicle charging station.

Roanoke County library receives Top Innovator award

THE URBAN LIBRARIES COUNCIL announced Roanoke County Public Library (RCPL) as one of 10 Top Innovators during the 2019 Innovations Celebration held October 17 in Salt Lake City. The annual award program recognizes leading practices from ULC’s member library systems across the U.S. and Canada.

RCPL won in the category of workforce and economic development. According to the county media release, the RCPL was the nation’s first public library to recruit Pepper®, a humanoid robot. The library partnered with RobotLAB, a San Francisco based company, to create content and develop a variety of programming for patrons of all ages to be delivered by Pepper at all library locations and remotely through outreach efforts. Pepper will also be used as a host to drive traffic to lesser used library areas.

Additional information about the award is posted at www.urbanlibraries.org.

Whittle’s Mill Dam named to National Register of Historic Places

WE MISSED REPORTING THIS back in March when it became official, but we’re making up for it now by letting you know that the Whittle’s Mill Dam in the Town of South Hill was named to the National Register of Historic Places! Lisa Jordan, a member of the South Hill town council, worked on the application process from the beginning of the project and her efforts, along with those of area residents and the town staff, culminated in the designation.

According to a town media release, the application Jordan submitted outlined the history of the dam from its construction to the present, but also included geologic information and evidence of a Native American occupation. The application also brought up the probability that additional unexplored sites in the area could be of archaeological interest due to the site’s significance over the years.
Norfolk begins new community outreach on the budget

Budget and Brews: Let’s Talk Over a Beer or a Cup of Coffee

NORFOLK HAS UNDERTAKEN a new community outreach that offers residents the opportunity to ask questions and provide comments about the city’s budget in an informal setting. Residents are invited to meet with city staff for a chat over a beer or a coffee at the city’s first ever Budget and Brews series, to be held in five breweries and coffee houses throughout the city. The events are designed to provide easy-to-use information about city budget priorities, revenues and expenditures.

Each event focuses on specific budget topics such as strengthening infrastructure, connecting with residents, and cultivating the arts but will also allow for a discussion of general budget information and a question-and-answer period.

Staff will pay for their own beverages out of their own pockets. The venues will host staff free of charge at regular tables and customers will pay for their own beverages. The series began in late October and will run through December.

ERIK HASTINGS, PRODUCER of the nationally syndicated PBS show “Beyond Your Backyard,” has added the Town of Wytheville to locations covered on his show, according to an article recently published in SWVA Today. Hastings and his production crew recently spent three days touring Wytheville for an episode that will be part of the show’s fourth season airing next summer.

Food Network chef Guy Fieri was recently in Richmond to film an episode of his show about cuisine in capital cities. News stories say that the Food Network show will air on November 22 and will focus on classic deli cooking updated for modern tastes.

Celebrity television chef Gordon Ramsay was also recently in Virginia visiting a family-owned seafood restaurant in Tappahannock for his show “24 Hours to Hell and Back.” The episode will air in 2020. The next week he was back in Virginia, this time filming in Richmond’s Jackson Ward district.

Text to 911 implemented in New River Valley

THE NEW RIVER VALLEY Emergency Communication Authority (NRV911) has successfully implemented Text-to-911 technology for individuals to report emergencies who cannot safely call 911 in a dangerous situation, or for those who are deaf, hearing impaired, or have a speech impediment.

Cellular callers using a variety of providers may send emergency text messages to NRV911 in instances where a traditional voice call to 911 is not ideal or available. It is not intended as a replacement for 911.

More information on NRV911 is posted at www.nrv911.org.

Hope Cards offer help to domestic violence victims

LOUDOUN COUNTY RECENTLY joined more than 36 other cities and counties in Virginia in making the Hope Card available to victims of domestic and sexual violence who have obtained long-term protective orders.

A Hope Card is a laminated card, similar in size and shape to a credit card, that contains all the essential information about a civil protective order in a durable, easy-to-read format. The card has the information needed for law enforcement officers to confirm the details of a valid protective order but is easier to carry than the actual protective order, which can be several pages long.

Additional information on the cards is available by searching “Hope Card” at www.courts.state.va.us.
Happy budget season!

AH. BUDGET SEASON! That most unwonderful time of the year for local government staff. But, why does it have a reputation for being such a downer? Perhaps, as one recently retired municipal finance director recently opined, it’s because “People are generally not happy at the end of budget season because they don’t get everything they want, and they think they lost something.”

All of which is true. There’s never enough money to satisfy everyone. But that’s what a budget is all about! It’s a plan for making the best use of available revenue. Or, as that same former finance director told me, “Budgets are a numerical way of reflecting a community’s priorities and values.”

That’s why preparing, presenting and enacting a budget is one of the most important, if not the most important, function of a government (whether it be town, city, county, state or nation). Along the way, hard decisions must be made and the relationships that staff, elected officials and civic employees have formed become essential to the success of the process.

So, while a municipal budget may look like it’s just numbers and sums, it’s so much more! While it’s being created, a budget is people – hardworking staff, officials and citizens – understanding each other’s needs to compromise and work together. When it’s finished, a budget is a local government’s best effort to make sure their locality has a plan that works, to the fullest extent possible, for everyone.

But what exactly is “budget season?” I asked several people who have worked on municipal budgets and got varying answers. Unfortunately, the season is not celebrated with budget fireworks when it starts, nor is a budget turkey served to sustain the staff, nor are budget carols sung to proclaim the budget tidings. Instead of fireworks, budget season can be said to begin when departments receive notice asking for budget requests. Instead of a turkey, staff are sustained by a thorough review process in which departments are asked to adjust their expectations (those relationships mentioned above are important here). Finally, instead of carols, the end of the season is marked by messaging, meetings and public hearings. And then, finally, adoption!

But, does budget season ever really end? For some municipal staff, budget season lives on throughout the year. The truth is, someone in a municipality is always working on something related to the budget. Long term forecasts are made, projects needing to be funded are reviewed, etc. etc.

So, happy budget season to one and all! To help you get into the spirit, we’ve assembled several articles from folks who know how to celebrate budgets.

Ann Shawver, who was the City of Roanoke’s director of finance before founding her own public finance consulting firm, offers “A budget primer” to help localities weather budget season.

Jim Regimbal from Fiscal Analytics, Ltd. serves up an article all about “Understanding Virginia’s budget decision-making process” to give the big picture on how the Old Dominion renews itself every year.

Chris Snead, council member in the City of Hampton and a former budget director for the city, tells the tale of her two roles in “A budget perspective.”

Ed McMahon wears many hats, but it is as the chairman of the National Main Street Center’s Board of Directors that he suggests that when localities are prioritizing how to allocate revenue that they “Invest in a great place for prosperity” by investing in themselves.
What local governments need to know to weather ‘budget season’

FOR MOST VIRGINIA local governments, “budget season” has arrived or will arrive soon. Of all the duties inherent to local governments, the essential work of developing a budget demands the most time and energy from its elected officials. However, it’s not just elected officials who get swept up in the budget storm – government staff, citizens, business owners, the media and other stakeholders are also part of developing a successful budget. With so many moving pieces, it can be difficult to maintain a sound budget process. But because the quality of the budget process influences the direction of a community and the confidence that citizens and other interested parties place in the work of their government, it is crucial for a locality to make every effort to build a solid budget process.

Begin with a firm foundation

The budget process should start with a solid financial foundation that combines sound policies with a culture of long-term financial planning. What if your government doesn’t have these elements in place? Now may be a good time to start thinking about developing these important aspects of your locality’s financial foundation. Let’s take a closer look at each.

Financial policies

First, it’s important to differentiate between “policies” and “procedures.” In a nutshell, policies indicate a governing body’s direction whereas procedures provide guidance on how to fulfill those policies. While most governments have various policies and procedures in place, there are certain financial policies that are considered paramount for guiding and directing local government decision-making. For this reason, good financial policies are considered a hallmark of sound financial management. A locality that builds its budget process using good financial policies will have an excellent framework to guide its decision-making.

What makes for good financial policies? Good policies are explicitly stated in writing and adopted by an organization’s governing body. These policies should be broad and directional as well as comprehensive in addressing risks and issues pertinent to an organization. They should be reviewed annually, yet they should generally stand the test of time. Well-written policies have clear intentions, are concise, and can be easily accessed by interested parties.

Essential policies for a successful budget process include fund balance or reserve policies, revenue policies, expenditure policies, debt management policies and budget policies. Ideally, these policies are in place to guide decision-making prior to beginning the budget process.

Long-Term Financial Planning (LTFP)

Typically referred to by its acronym, LTFP is essential to a strong budget process and often involves a lot of work. However, entities that devote the staff and resources to long-range planning are much better positioned when it comes to managing recessions, unexpected challenges (i.e. devastating weather events) or potential windfalls (i.e. economic development opportunities).

LTFP combines financial forecasting with strategizing. It is a collaborative process which considers possible future scenarios. In LTFP, both revenues and expenditures are projected over a long period of time using assumptions about economic conditions, trends and spending scenarios. This information is then used to predict future financial capacity in order to develop long-term sustainability strategies that take into consideration an entity’s service objectives and financial situation.

The time horizon of a long-term financial plan is at least five years, often ten, and sometimes twenty. In LTFP, both revenues and expenditures are projected over a long period of time using assumptions about economic conditions, trends and spending scenarios. This information is then used to predict future financial capacity in order to develop long-term sustainability strategies that take into consideration an entity’s service objectives and financial situation.

An excellent resource in the development or review of financial policies is Financial Policies by Shayne Kavanagh published by the Government Finance Officers Association of the US and Canada (GFOA). The GFOA book considers certain financial policies to be core or essential and others to be optional depending upon the activities of a government and the preferences of its leaders.
maintaining structural balance for the operating budget (see sidebar). Stakeholders should have access to the plan so they may learn about the long-term financial aspects of their government and how their leaders intend to maintain structural balance.

What is “structural balance?”
SIMPLY PUT, STRUCTURAL BALANCE is the balance, over time, of revenue and expenditure growth. Achieving structural balance is a matter of funding ongoing expenditures with ongoing revenues. A golden rule of structural balance is that one-time revenues (i.e. proceeds from property sales, unexpected and non-recurring revenues, etc.) should only be used toward one-time expenditures (i.e. capital acquisition, debt reduction, and other one-time payments).

Got linkage?
A final broad theme to discuss in the budget process is the importance of linkage between the budget process and other organizational planning efforts, such as the financial policies and long-term financial planning previously discussed. The operating budget should also be consistent with, and demonstrate linkage to, the comprehensive plan, the strategic plan, and the capital improvement program as well as the organization’s service or performance targets.

Of paramount importance is the linkage between the operating budget and the capital budget. These budget processes should be undertaken concurrently, and careful attention should be given to how one affects the other. For example, the evaluation of each capital project being considered should include its impact on the operating budget. New facilities typically entail additional staff, administrative costs, utility expenses, maintenance efforts and insurance costs. Renovated facilities might reduce future operating expenditures thanks to lower utility bills, etc. In this manner, a thoughtful estimation of operating costs dovetails nicely with long-range financial planning. Linkage achieved!

Well-managed organizations always conduct careful planning of debt issuance when connecting their capital budget to their operating budget. Debt capacity analysis forecasts the organization’s current and future planned debt service against its debt policy requirements to ensure continued compliance. In addition, careful coordination is necessary to address affordability of debt service funding in the operating budget. For example, during the years most affected by the “Great Recession,” this debt capacity analysis proved crucial to the City of Roanoke by making it possible to identify capital plan revisions to ensure policy compliance. At the time, Roanoke’s most limiting debt policy element was the requirement that debt service not exceed 10% of the operating budget. During the recession, forecasts that once anticipated performance in the upper 9% figures were updated to produce results in excess of the 10% policy level. This analysis led management and elected officials to amend the capital improvement program (CIP) in order to maintain compliance with the debt policy limit and a strong bond rating. A reduction in the 5-year CIP from $68 million to $60 million did the trick.

A recipe for an operating budget
1. **Estimate revenues:** The budget process should always begin by estimating the revenues to be generated using current sources at currently approved rates. This defines the present “price of government” – the amount the citizenry, businesses and visitors to a community are currently investing in exchange for the services they receive.

   2. **Develop a list of revenue options:** Along with a revenue estimate, those involved with the budget process should also develop

Steps of the Budget Process

![Steps of the Budget Process Diagram](image-url)
a list of revenue options that are available and the value of each. For example, what does one penny on the real estate tax generate or what would an additional percent on the meals tax result in? This is important information for elected officials and stakeholders to have when weighing whether additional desired services are “worth” the added price that may need to be paid.

3. Conduct expenditure budgeting: This step is the flip side of steps #1 and #2. The budget should include a forecast of what the various services are expected to cost. Expenditure budgeting should be couched in significant departmental insight and input and focused on achieving the outcomes most important to the community.

Use position control to budget for personnel

Costs related to personnel are among the most significant for local governments. As such, budgeting for them is critically important. Typically, personnel costs are about two-thirds or more of operating costs; in fact, budgeting for salaries and benefits is sometimes a separately managed project within the overall budget process! Nothing is likely to break a budget faster than losing track of spending on personnel. A helpful tool for budgeting personnel costs is “position control” which tracks each approved position within an organization. Positions are easy to budget when filled, but they are often harder to budget and track when they are vacant.

Position control is especially beneficial when tracking large departments with multiple positions carrying the same title such as police, fire/EMS, sheriff, public works and social services departments. Using position control, a local government can inventory each approved position of the organization and achieve proper budgeting for all positions. Furthermore, position control aids in obtaining approval for a new position prior to posting it.

When budgeting for personnel, organizations typically use incumbent data for filled positions and make assumptions regarding vacant positions. These assumptions should be made as realistically as possible for accurate budgeting. For example, organizations should not budget vacant positions at the minimum allowable salary if hiring practices indicate a median salary is the norm. Organizations should make conservative assumptions about benefits as well. If an organization provides a higher contribution for family coverage on its medical and dental plans, for example, the family plan should probably be assumed for vacant positions during the budget process.

Funding the school division

Another very important element of local government budgeting is the contribution to the school division and, in turn, the revenue the school division can count upon from the local government. In Roanoke, the city council adopted a school funding policy that shares 40% of most local tax revenues with the Roanoke City Public Schools. This policy has made Roanoke’s school funding more transparent to all stakeholders. Recent revisions to the school funding policy approved by the governing body have made it even more concise, clearly written, and easy to interpret. When Roanoke’s local tax revenue estimates are refined and revised, updates to the school funding policy are easily communicated to all stakeholders.

Plan for the worst; Hope for the best

An organization should include contingency planning as a component in its annual operating budget; some organizations include several different contingencies according to the type of uncertainty or exposure to risk. An operating budget that includes contingencies allows management a degree of flexibility in meeting unforeseen operational needs. Moreover, financial policies can address the level at which a governing body’s approval (as opposed to an administrator’s approval) is considered necessary in order to reallocate contingency funds.

Benchmarking for success

Benchmarking means using a standard list of other communities against which to compare a locality’s budget. Roanoke found that benchmarking was very beneficial to its budget process. The city’s financial staff selected six urban city localities with a comparable population (75,000 and above). The staff then used data about these other localities when presenting information about items such as policies and practices, taxes and fees and programs offered to citizens. Over time, the city found that the consistent list of benchmarks became familiar to elected officials, management, staff, the media and other interested parties and facilitated the budget process.

When benchmarking, it is occasionally useful to run comparisons against communities outside the standard set. For example, with tax rates it is wise to be mindful of surrounding jurisdiction tax rates; the same goes for comparisons regarding employee data since a community is most likely to compete with employers in the immediate vicinity.

Presenting and communicating the budget

Even if a locality does all the work needed to develop a great budget process, it will still experience conflicts and criticism if nobody outside the process knows about it! There are two important ways that “budgeteers,” the staff who do the work of developing the budget, can promote stakeholder confidence: Provide specific opportunities for citizens and other interested parties to be involved and conduct the budget process in an open and transparent manner.

It is important that communities disseminate budget information to stakeholders and create channels to invite input. This means going beyond a simple “check the box” public hearing held near the conclusion of the budget process. Communities can form citizen committees, hold input sessions, conduct polls or surveys, host office hours and offer numerous other opportunities for input.

To return to the Roanoke example, monthly budget workshops held from January through May allow for dialogue between Roanoke’s council and management and gives the public a front-row seat for the discussions. Furthermore, budget materials placed on the city’s website are easily accessible to citizens and other interested parties.

But whether delivered in person or online, materials and presentations about the budget process must be understandable to a lay person. It is crucial that financially minded presenters remember that not all viewers have their breadth of experience. Anything that can be done to streamline and simplify materials – generous use of graphs and high-level summaries, for example – are often beneficial in conveying the information to the public.

About the author: Ann Shawver, CPA, CGFO is the owner of Ann Harrity Shawver, Certified Public Accountant, PLLC. Previously, Ann served the City of Roanoke for twenty years, capping this tenure with a stint as the city’s Director of Finance. Ann serves on the Virginia Public Building Authority, on the GFOA national standing committee on Economic Development and Capital Planning and is on the Board of Directors of Virginia Women in Public Finance. Ann is a Past President of the Virginia GFOA.
To understand how Virginia consistently arrives at a working budget, let’s take a closer look at each step in the process.

**Step 1: Revenue forecasting**

Revenue forecasting is assigned to the executive branch of government in Virginia as outlined in § 2.2-1503 Code of Virginia. The Governor and Secretary of Finance oversee the revenue estimating process which is staffed by the Department of Taxation. Revenues are estimated for two-year budget development purposes and over six years for long-range budget planning purposes. First, an econometric model is developed by the Department of Taxation using inputs from a national economic forecasting firm. The economic assumptions are reviewed and adjusted (if necessary) by a panel of economists: The Joint Advisory Board of Economists. The economic forecast is then used to produce an initial estimate of revenues which are reviewed and adjusted (if necessary) by the Governor’s Advisory Council on Revenue Estimates. Any revenue policy proposals by the Governor are then added to the forecast which is included in the Governor’s introduced budget prior to every legislative session.

**Step 2: Expenditures**

Concurrently with revenue forecasting, the Department of Planning and Budget (DPB) coordinates the spending side of the budget plan. State agencies and institutions are required to submit spending proposals to DPB in the summer and fall based on the state’s strategic planning process. DPB under the general direction of the Secretary of Finance coordinates with each Secretariat the Governor’s priorities that will be funded over the biennium in the introduced budget. DPB also develops in each even-numbered year a six-year financial spending estimate for purposes of long-term planning. Capital planning is coordinated and vetted by a Six-Year Capital Outlay Plan Advisory

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**Why are three budgets enacted in each biennium?**

**IN THEORY, VIRGINIA’S BUDGET** decision-making process is straightforward: 1) forecast revenue, 2) develop agency spending proposals 3) executive review, 4) legislative review, amendment and adoption, and 5) execution. The Governor gets the first “bite-at-the-apple” when allocating projected revenues, but the General Assembly has the final say – including veto override authority.

Easy, right? What could go wrong?

In practice, this seemingly straightforward process requires significant effort and compromise by both the executive and legislative branches of government. It’s a testament to Virginia’s long-standing culture of fiscal responsibility that, despite myriad obstacles to success driven by policy, partisan and personality differences, a budget is achieved each year (with the exception being 2001, which is discussed later).
Step 3: Executive Review

Using the new revenue and expenditure forecasts, the Governor develops a proposed budget and presents it to the General Assembly in mid-December each year. It is interesting to note that executive budget development is wrapped in secrecy and public hearings and input are as rare as unicorns.

In addition to the two-year budget requirement, § 2.2-1503.1 Code of Virginia requires that “On or before the first day of each regular session of the General Assembly held in an even-numbered year, the Governor shall prepare and submit to the members of the General Assembly a financial plan for a prospective period of six years. The plan shall consist of (i) the Governor’s biennial budget submitted pursuant to subsection A of § 2.2-1508, (ii) estimates of anticipated general fund and non-general fund revenue prepared for an additional period of four years pursuant to § 2.2-1503, and (iii) estimates of the general and non-general fund appropriations required for each major program for an additional period of four years.”

A Virginia governor has significant budget powers with control of the revenue forecasting process, budget development, introduction, amendment and veto power, and execution. However, over the course of four years, a governor will have just one budget that he both introduces and executes (in the other years, he either executes a budget prepared by his predecessor or develops a budget for his successor). A single-term governor often does not have to take “ownership” of a problem, but rather can pass it on to his successor. This can hinder the effective implementation of the state’s long-term plans.

Step 4: Legislative review, amendment and adoption

Like the Governor, one of the constitutional responsibilities of the General Assembly is to pass a budget. The Governor proposes and the legislature disposes. In actuality, the House and Senate budgets are amendments to the Governor’s introduced budget. The General Assembly adds, modifies, endorses or deletes items in the Governor’s proposed budget. The General Assembly also increases or decreases proposed funding levels based on any additional relevant information or policy changes that may occur during the legislative session. In the House of Delegates, the Finance Committee handles tax policy and the Appropriations Committee handles spending. Both tax policy and appropriations are the responsibility of the Senate Finance Committee.

The House Appropriations and Senate Finance Committees are generally composed of senior members of each legislative body roughly (and sometimes, very roughly) in proportion to the number of members in each political party. Senate rules also require geographic diversity among the members based on congressional districts to the extent practical. The Speaker of the House appoints members to the House Appropriations Committee.

Both money committees use a subcommittee approach to carefully analyze, generally by secretarial area, the Governor’s proposed budget. This review is open to the public and both public and stakeholder interests are heard. Changes are proposed by the subcommittees and adopted by the full committee. There is typically a mid-session revenue reforecast that occurs in early February. This final revenue forecast has the benefit of information from Christmas sales tax collections, and an additional estimated payment due January 15 for individual and corporate income tax collections. As a result, the revenue forecast embedded in the introduced budget is often changed by the money committees to reflect any adopted legislation by their respective chambers and new information or trends reflected in actual revenue collections.

After the Governor’s introduced budget is reviewed independently by the House Appropriations Committee and the Senate Finance Committee, a substitute budget bill is brought to the floor of each house, where other amendments may be made. In practice, there have been very few substantive amendments adopted by either chamber to the respective substitute versions recommended by the two money committees. This is a testament to the political power of the money committees. After each house votes on its own version of the budget bill, the bill “crosses over” to the other house where it is rejected. A conference committee is appointed to reconcile the differences between the versions passed by the two houses.

The budget conference committee members for the House of Delegates are appointed by the Speaker of the House. The Senate conferees are appointed by the Chair of the Senate Finance Committee. The number of conferees and party affiliation has varied over the years, ranging from four to seven members per side. The chairmen and senior members of the money committees have significant power over the budget in Virginia. This power is enhanced due to the long tenure these individuals have had in the legislature and their knowledge of the budget, combined with the restriction for a Governor to one four-year term.

The budget conference committee report, like all conference reports, must be voted up or down with no amendments. A conference committee report has never been rejected by the General Assembly in modern times. This fact signals the power of the conference committee in developing a budget product that reflects a majority of the elected members.

Step 5: Execution

The General Assembly then sends the budget bill to the Governor for his signature. The Governor must sign the “enrolled” budget bill for it to become law. The Governor reviews the bill passed by the General Assembly. He may sign it, veto the entire bill or certain line items, or recommend amendments. Amendments must be approved
by a majority vote of each body. Vetoes must be rejected by two-thirds of each Chamber’s members or they will be sustained. If the Governor vetoes the bill or any items of the bill, it goes back to the General Assembly during a reconvened session in the spring. If he recommends amendments, the bill is returned to the reconvened session for consideration and action by the General Assembly on the Governor’s proposed amendments.

After this process, the Governor signs the appropriation act. Finally, in executing the appropriation act, the Governor is given discretionary authority in Part § 4-1.01 of the budget to reduce appropriations by up to fifteen percent for any state agency or institution in the event of a revenue shortfall.

Congratulations, it’s a budget!

Budget decision-making is influenced by many simultaneous factors, including federal and state mandates and regulations, historical priorities, strategic objectives, political priorities and the demands of interested parties.

A Virginia budget is like a large ship – difficult to turn direction in policies such as K-12 and higher education, Medicaid and health and welfare, corrections and public safety, transportation and infrastructure, and retirement and benefit plans – with no single institutional element controlling all elements of the decision process. However, the Commonwealth’s record of budget making success is evidenced by Virginia’s AAA credit rating and acknowledged by many independent observers (e.g. PolitiFact Virginia) who usually rate Virginia as one of the best managed states in the country.

About the author: Jim Regimbal is the principal in Fiscal Analytics, Ltd, which provides research on state and local budget and tax policy issues to local governments, business groups, trade associations, and nonprofit organizations.
A budget perspective
What budget directors and council members see when they look at the numbers

In 2012 I began serving on the city council in Hampton and since then have experienced first-hand the differences in how budget staff and elected officials can view the city budget. Each has a valuable role to play in creating a successful budget, but those roles are quite different. I’m pleased to have this opportunity to share what I’ve learned. First, the back story.

An end and a beginning

In 2011, I had been the budget director for the City of Hampton for fifteen years. In all, I had served the city for 34 years, 32 of which had been spent in the budget office. Although we had weathered the initial effects of 2008’s Great Recession, the city was still struggling with the resulting financial strain. At the time, I did not believe that I had the stamina to continue as budget director. I knew that the next few years would require making some very difficult decisions, programs would be cut, and people would lose their jobs. With so many years in service to the city, I personally knew many of the people who would be affected by the cuts; I rode the elevator with some of them every day and it was too painful to continue in my role knowing that their jobs would be eliminated. Moreover, the stress of building budget after budget had finally gotten to me.

I decided it was time to put the pencils away and retire. I imagined I would go off into the sunset and enjoy life by traveling and visiting relatives and friends I had not seen in many years.

As it turned out, the sunsets and faraway friends would have to wait a bit longer.

Only a few months after I retired, I was approached about running for a seat on council. I remembered that as budget director I had sometimes criticized the city council for not knowing what they were doing when it came to budgets. Here was my chance to put my money where my mouth was (so to speak)!

So, I ran for council and found that my budgeting experience gave me an edge in the race. I was not as well-known in the community as my rivals, many of whom had held higher profile positions in the city government. But, in the tense atmosphere of economic recession, citizens were reassured by the fact that I knew how the city’s budget was developed and how their money was spent. I was elected and am proud to now be serving my second term.

Learning to look with new eyes

When it came time to review the city’s budget during my first year on council, I was still in budget director mode. I made sure all the numbers added up and reconciled to summary pages and I reviewed every page for errors. I made sure the budget notes made sense. I even reviewed every ordinance to ensure that those numbers reconciled to the budget.

But I soon realized that the most important job of the city council is to approve the budget not just because it funds the operations of the city; but also because the budget sets the direction for the city.

As such, I have transitioned from the mindset of a director looking at the numbers to that of a council member considering policy. Now when I look at the budget, I look for what is best for the city and its citizens. I review the budget with a focus on ensuring that the council’s goals for the city – and the strategies to meet those goals – are funded. I don’t just ask if any tax or fee increases are justifiable on paper; I make sure that the justifications for those increases are palatable to the citizens.

In my previous role, I reviewed what funding was needed for a given project and where it would come from. As a council member, however, I don’t just ask “what?” I ask “why?” Is the requested funding necessary for infrastructure improvements and/or maintenance, or is the funding going to be balanced by new or enhanced projects that may help generate revenue for the city? Whatever it is, I ask why are we spending money on it?

As budget director, I implemented a budget based on the council’s goals and the city manager’s direction. As a council member, I get to set the goals and establish the direction of what should be funded in the budget. I’ve learned that these are both important roles in creating a successful budget. However, whether budget director or council member, one thing stays the same: the citizens count on us to ensure that their best interests are looked after.

I must admit there are still times when I revert to budget director mode and break out the pencils and calculators just to make sure that the notes make sense and those numbers are balanced. I guess you can take the person out of the budget office, but you can’t take the budget office out of the person!

About the author: Chris Snead is the former budget director for the City of Hampton. She is currently serving her second term on city council.

*Editor’s Note – Hampton’s budget team has earned the Distinguished Budget Presentation Award – the highest form of recognition in governmental budgeting – more than 20 times. The award was created by the Government Finance Officers Association to “encourage exemplary budgeting practices and to provide peer recognition of government finance officers preparing budget documents. The award for distinguished budget presentation is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a governmental entity, its budgeting staff and its management.”
Invest in a great place for prosperity

Why towns and small cities should consider the Main Street approach to economic development

LAST YEAR AMAZON ANNOUNCED the location of its second global headquarters: HQ2. It would be split between Crystal City, Virginia, and Long Island City, New York: both walkable, urban neighborhoods, one in Metro DC, the other in Metro New York City. New York later withdrew its approval, so Virginia ended up with the big prize. Almost 240 US and Canadian cities bid for the headquarters, offering as much as $8 billion in economic incentives, but in the end, it all came down to one major criterion: the ability to attract and retain highly trained workers.

Both Metro DC and NYC have highly educated populations, easy access to international airports and functioning mass transit systems. Moreover, they both have the kind of walkable, mixed-use environments that attract young, talented workers. So, what are the lessons learned for the hundreds of cities that weren’t chosen and for the countless others that could never compete economically for the likes of an Amazon? One lesson for cities, especially smaller cities and towns hoping to attract new talent is that instead of chasing big businesses, they should focus on building a great place as outlined in the Main Street Program’s Four-Point Approach to economic development.

Over the past 25 years, the Main Street approach has a proven record of creating new jobs and businesses while also rehabilitating countless historic buildings and revitalizing thousands of downtowns and disinvested commercial corridors. Since its inception, Main Street communities have seen almost $75 billion in new investment, rehabilitated 276,000 buildings and created 614,716 net new jobs. What’s more, every $1 of public money invested in Main Street communities, has leveraged over $26 of private investment. This is economic development as if return on investment (ROI) mattered.

Yet, despite its enormous record of success, the Main Street program in Virginia and elsewhere receives relatively little public funding or acknowledgment from state policy makers and traditional economic development professionals. In fact, most state economic incentives still go to big business. Why?

One reason the Main Street approach hasn’t received more attention is because it typically involves modest projects in smaller cities and towns. Public officials like nothing better than announcing big projects, the bigger the better. Many local officials still think the traditional economic development approach of recruiting businesses and “chasing elephants” is the best. These officials try to spur economic development by doing things like building an industrial park on the edge of town and then trying to attract some plant, factory or distribution center to move there.

In fact, most new jobs grow out of existing businesses and are created by small businesses. The US Small Business Administration says that “small business generated 64% of new jobs over the 15-year period between 1993 and 2011.” They also report that middle market companies (those with revenues of less than $1 billion) produce 3 out of 5 jobs in high growth industries. Even in high-tech job centers, like North Carolina’s Triangle Research Park, most jobs are in small businesses. A 2018 report in the Research Park’s Newsletter found that 60 percent of its employers had 25 employees or less.
The power of small

It is a mistake to think that economic revival is always about “the one big thing.” America’s communities are littered with projects that were sold as the “silver bullet” solution to a city’s economic woes. Whether it was a festival marketplace, a convention center, a casino, a new factory or a big box store out on the highway, locality after locality has followed the copycat logic of big project mania. However, successful economic development is rarely about the one big thing. More frequently, it is about lots of smaller things working synergistically together in a plan that makes sense.

Main Street demonstrates the power of small. Small steps, small businesses, small deals and small developments can add up to big impact. Building small is sometimes harder, more time consuming and less flashy than building the one big thing, but it is also more realistic, more cost effective and more durable than putting all your eggs into one or two baskets.

The Main Street approach is also about creating better places. This is important because the link between quality of place and the ability to attract and retain residents and talent is becoming increasingly clear. Mick Cornett, the four-term mayor of Oklahoma City, says that “economic development is really the result of creating places where people want to be.” Similarly, Steve McKnight, a Pittsburgh based economic development consultant, says that in today’s economy, “new investment is increasingly seeking locations based on the quality of place rather than the utility of location.”

The power of historic assets

Economic development is about choices. Communities can spend all their time and money on recruiting businesses, or they could focus on expanding existing businesses. Main Street is an asset-based approach to economic development. In other words, it focuses on reusing and restoring the assets a community already has.

Often a community’s greatest asset is its historic building stock. Main Street leverages the value of historic buildings, ensuring that they contribute to a community’s future. Here again, many public officials underestimate the value and importance of historic preservation. Some even see older buildings as an impediment to revitalization. So, what is the value of historic buildings and neighborhoods?

First, historic buildings physically connect us to the past. They tell us who we are and where we came from. In
this manner, saving historic buildings is about saving the heart and soul of a community.

Sentimentality aside, historic preservation is also an extraordinarily important tool for economic revitalization. Dozens of studies over several decades have documented that preservation is good for the economy with positive effects on jobs, property values, tourism, downtown and neighborhood revitalization, affordable housing and environmental sustainability.

What’s more, while renovation and redevelopment are not new, today’s market is embracing older space with new fervor. In 2016, for example, the Urban Land Institute reported in its annual *Emerging Trends in Real Estate Report* that “office space in rehabilitated industrial buildings (like former textile mills or warehouses) is now commanding rents above new Class A product.” When asked why, a ULI spokesman said it was because both employers and employees love space with authenticity and character. Historic industrial buildings also have large, open floor plans that make them flexible and adaptable: key attributes in a rapidly changing economy.

### New hotels in old buildings

THE HOSPITALITY INDUSTRY has also caught on to the advantages of historic buildings. In Milwaukee, the former Pabst Brewery is now the Brewhouse Inn and Suites. In Buffalo, guest rooms have replaced patient rooms at the H.H. Richardson-designed state mental hospital, which has been transformed into the luxurious Henry Hotel. And in Boston, the infamous Charles Street Jail is now the swanky Liberty Hotel.

The trend of adaptively reusing historic buildings for lodging facilities is not restricted to big cities or high-end brands. In Lexington, VA, the Hampton Inn is in a restored manor house. In Waterloo, IA, the former John Deere factory just reopened as a Marriott Courtyard Hotel. In Petaluma, CA, an abandoned silk mill has morphed into another Hampton Inn and in Grand Rapids, MI, a vacant downtown office building has been reborn as a Homewood Suites Hotel.

There are several reasons for the growing interest in downtown historic hotels. The first is changing consumer attitudes. Millennials say that they prefer “walkable neighborhoods” over locations that require a car. They also say that “authenticity and interesting” are more important than “comfortable and predictable” when choosing lodging facilities. Second, the hospitality industry itself has begun to recognize the value of creating hotels that reflect a place and not each other.

While it was once common to find corporate headquarters in sprawling suburban office parks, it is now just as common to find corporate offices in iconic historic buildings. Starbucks’ corporate offices, for example, are in a former Sears warehouse distribution center. Under Armor, the sports apparel company, has located its offices in a former detergent plant in Baltimore. Similarly, Converse Inc.’s offices are in a beautifully restored, but once derelict wharf on the Boston waterfront and Ford Motor Company recently announced plans to restore the monumental, but long abandoned, Detroit Train Station for its new world technology center.

### The power of downtowns

Downtowns are at the heart of 21st century economic development because they are a community’s nerve center and a key asset for regional prosperity. In 2017, the Lincoln Institute for Land Policy released a report on Revitalizing America’s Smaller Legacy Cities which recognized that downtowns play an outsized role in revitalizing America’s communities because they are the first place people will evaluate when judging the health of a community. This is true, even if the people doing the evaluating plan to locate their home or business outside of the downtown. In simple terms, if you don’t have a healthy downtown, you don’t have a healthy city or town.

In fact, the unique characteristics of a place may be the only truly defensible source of competitive advantage in a world where people can choose to live or work almost anywhere. A recent Lincoln Institute report examined the unique challenges of smaller, older industrial centers, primarily in the Midwest and Northeast. It described the trends affecting small and mid-sized cities: changing economies, declining manufacturing, growth in health care, increasing specialization, diverging trajectories. Among the strategies for success outlined in the report were: “focus regional efforts on rebuilding a strong downtown” and “build on an authentic sense of place.”

The outsized role of downtowns in regional economic development was illustrated by Smart Growth America and Cushman Wakefield in a 2017 report entitled *Core Values: Why American Companies are Moving Downtown*. The report listed 500 major American companies that have either relocated to, expanded or opened new offices in “walkable downtown locations” in the past five years. Some of the Fortune 500 companies that have announced moves from suburban sites to downtowns include Motorola, McDonald’s, Marriott, Quicken Loans, GE, Caterpillar, Con Agra, Walgreens and many others.

When asked why they were moving, the number one reason was “to attract and retain talented workers,” followed by “to build brand identity and corporate culture.” The third reason was “to support creative collaboration.” The conclusion: downtowns are coming back to life because this is where both businesses and talent want to be.

### Invest in place

In today’s economy, place matters more than ever and investing in place is a key to economic competitiveness. Next time your locality considers budgeting to spend millions trying to attract some global corporation, ask your leaders to consider devoting just a small percentage of this amount to an economic development program with a proven track record of success and real return on investment. After all, for most communities, hitting an economic development homerun is a lot harder than hitting a bunch of singles that can add up to even more.

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About the author: Ed McMahon is a Senior Resident Fellow at the Urban Land Institute in Washington, DC and Chairman of the National Main Street Center’s Board of Directors.
Virginia Beach Deputy City Manager Ken Chandler welcomed almost 300 attendees to the Virginia Building and Code Officials Association (VBCOA) Annual Conference and School, held in Virginia Beach in September. During opening remarks, Erik Johnston, the director of the Virginia Department of Housing and Community Development (DHCD), thanked the VBCOA leadership for their service. He stressed that the time and expertise they gave to developing, reviewing, identifying, and following changes to the building code continue to ensure that Virginia’s citizens are safe, healthy, and comfortable in the places they live, work, and play. Johnston emphasized that VBCOA continues to play a key role in some of the Governor’s policy priorities such as increasing resiliency, energy efficiency, and addressing the Commonwealth’s unmet housing needs. Johnston noted that VBCOA activities have led to Virginia being recognized as a national leader in the code development and enforcement industry. Additionally, he cited the organization’s ongoing collaboration and partnership with the Department of Housing and Community Development, including providing instructors for the Building Code Academy, which has had a significant impact on the effectiveness and successes of the department’s Division of Building and Fire Regulation.

Donations from coin sales

In the fall of 2018, the VBCOA Region chairs designed challenge coins to sell as a fundraiser, with the proceeds designated for the benefit of two veterans’ organizations: the Chris Souza Foundation and Veterans of Foreign Wars. At the conference, Amanda Souza accepted a $5,000 donation on behalf of the Chris Souza Foundation and shared the story of how she lost her husband SFC Jarrett Christopher Souza, to PTSD. Souza also shared her personal struggles with her own PTSD. She stressed that every day she works to ensure that her husband’s legacy will inspire and restore lives through the work of the foundation. She received a standing ovation from those in attendance. The Chris Souza Foundation is a nonprofit organization dedicated to serving veterans and their families by raising PTSD awareness and providing services to veterans, active duty personnel, and their families. Located in Richmond, the Chris Souza Foundation serves veterans located in Central Virginia as well as the greater Mid-Atlantic region. For more information about the Foundation, visit their website: www.chrissouza.org.

Ken Wiseman, State Adjutant/Quartermaster for Veterans of Foreign Wars Virginia, accepted a donation on behalf of a veteran’s organization. Ken spoke about the work of the VFW, one of the best-known veteran’s organizations in America, and its work helping veterans secure their earned benefits through the Veterans Administration. This service is one of many provided by the VFW’s small but highly trained full-time staff. In Virginia, the VFW employs five staff members dedicated to handling claims and appeals and providing support for those veterans and their family members needing help with the VA’s process. In 2018, the VFW processed 1,600 claims in Virginia alone and helped secure more than $29.5 million in benefits. The $5,000 grant provided by VBCOA will help equip their new office in Norfolk and help to train the Air Force veteran staff member hired to work there.

For more information about the VFW, visit the national headquarters website at www.vfw.org or the Virginia website at www.vfwva.org.

Awards

Mike Williams (City of Harrisonburg) and Patrick Hughes (City of Chesapeake), VBCOA Awards and Resolutions Co-Chairs, presented awards during the annual banquet. Ron Clements, Chesterfield County Assistant Building Official, was the recipient of the Jack A. Proctor Meritorious Service Award for a VBCOA member, given in recognition for over 26 years of leadership in code enforcement. In addition to being a past president of the association, Clements was a long-time chair of the VBCOA Legislative Committee, and a member of many committees, sub-committees, and workgroups of the International Code Council (ICC). James Hudson, King George County Building Official and Director of Community Development, received the Jack A. Proctor Meritorious Service Award for Build-
ing officials in recognition of his leadership and contributions at the local and state levels to the VBCOA and VBCOA Region VII.

Debra McMahon, Fairfax County Building Permits Project Manager, received the Jack A. Proctor Meritorious Service Award for Technical Assistants for her tireless efforts promoting and advocating for permit technicians, being instrumental in changing the code to name permit technicians as a representative of the code official, and requiring permit technicians to obtain and maintain certifications from DHCD. Additionally, McMahon was recognized for her service as chair of VBCOA Region V and the Permit Technician Committee, developing the “Tips and Tricks” training for permit technicians, teaching the DHCD Core and Permit Technician modules, and serving as an instructor for contractors through the Virginia Department of Professional and Occupational Regulation.

VBCOA President Pete Mensinger, Special Projects Manager for the City of Alexandria, presented the President’s Award to Jada Black in recognition for her invaluable service as the VBCOA webmaster. Black is responsible for communicating information to the more than 1,000 VBCOA members. Mensinger stated that Black’s dedication, participation and expertise in promoting VBCOA conveys substantial credibility to association members, the ICC, and the VBCOAs affiliate organizations within the Commonwealth of Virginia.

**ICC Sister Chapter program**

In his last official act as VBCOA President, Mensinger signed the ICC Sister Chapter program agreement. The ICC Sister Chapter Program was developed by the ICC Global Membership Council as a tool to guide global members with their chapter activities by pairing domestic chapters with an international or Global Chapter. The domestic chapter will serve as a mentor and assist them in developing best practices. Mensinger appointed Lynn Underwood, Building Official for York County, to be the main point of contact for the program. VBCOA was the first ICC Chapter to join the program.

**James Moss elected VBCOA’s 90th president**

The Virginia Building Inspectors (now VBCOA) held their first meeting on December 4, 1929 in the City of Petersburg City Hall. At the request of various building officials from across Virginia, Morton Wallerstein, League of Virginia Municipalities Executive Secretary, organized the event. The localities represented at that first meeting were Hopewell, Front Royal, Lynchburg, Manassas, Newport News, Petersburg, Richmond, Roanoke and Staunton. A statement of purpose and by-laws were adopted and George C. Hough (City of Lynchburg) was elected as the first President. Committees were created: Resolutions; By-laws for a Permanent organization; Nominations; and Time and Place.

During its first year, the Virginia Building Inspectors’ Association sent out information to municipalities and others about building permits, model building codes and other matters pertaining to building safety. Additionally, the League of Virginia Municipalities assigned a field representative to seek out interested members, in addition to starting an extensive state-wide publicity campaign and creating a membership committee. Wallerstein recognized, however, that the best tool for recruiting membership would be accomplished peer-to-peer – one building inspector to another. According to the VML archives at Virginia Commonwealth University, the hope during those early days was to counter concerns that Virginia lagged in effective building inspection practices and that many municipal problems with regards to fire, police, fire prevention and public safety were the result of improper building inspections.

Ninety years later, 1,000-plus members strong, James Moss, Grayson County’s Building Official, was sworn in as the VBCOA President by ICC Vice President Cindy Davis (Deputy Director, Virginia Division of Building and Fire Regulations, DHCD). Moss thanked those who had come before him for creating such as a successful roadmap for Virginia in the code development process and particularly for maintaining focus on the strategic plan, mentoring, and...
member education. Moss expressed the importance of this milestone not only for him, but also for VBCOA Region 1, which is comprised of VBCOA localities in the Southwestern part of the state. Region 1 has only had one other member to serve as a VBCOA President, William J. Bolling, Chief of the Bristol Bureau of Fire Prevention, in 1977.

Moss stated that it is his desire that all VBCOA members, from the smallest to the largest jurisdictions, recognize that anyone can rise through the ranks. He issued a challenge to VBCOA members, both new and seasoned, to use their energy and talents to propel the mission and goals of the VBCOA. He encouraged new members to participate and share ideas, opinions, talents and knowledge and encouraged seasoned members to continue to share their experience, wisdom and guidance, reminding them that their leadership and institutional knowledge puts them in a critical role as teachers and mentors.

Moss outlined his goals for the coming year which include maintaining a leadership role at both the state and national level, ensuring association members have access to quality educational opportunities and professional growth, expanding community outreach efforts through Building Safety Month and other similar events and activities, and investing in the next generation by promoting the High School Technical Training Program. Additionally, he stressed the importance of following the mission and goals of the association as set out in the association’s strategic plan, empowering members, providing educational opportunities, promoting professional growth, and providing continuous networking opportunities. Moss also emphasized the importance of interacting with the community in order to ensure citizen understanding and adhering to the association’s dedication to the protection of the health, safety, and welfare of all persons who live, work, or visit the Commonwealth. Finally, he stressed the importance of the Association to inspire, encourage, and motivate other building safety organizations to desire to achieve the same great successes as the VBCOA.

Additional photos from the event are available on the VBCOA website: www.vbcoa.org/2019-annual-school-conference.
The elements of workplace safety and security: Secured buildings and prepared staff

When it comes to workplace safety, local governments face many of the same issues as businesses and citizens. However, some of the risk management measures used by commercial businesses, organizations and residents are not an option for local governments. One area where this difference is most evident is in the layout and operation of workplace buildings.

By design, local governments deliver essential services to their citizens and as such must be open to the public. But with incidents of workplace violence occurring more frequently, many local governments are asking themselves—how can we limit risk but still be as open as possible?

Fortunately, there are some things that local government offices can do to create a safer work environment without compromising their availability to the citizens they serve. For starters, the physical design of building space can play an integral role in protecting against workplace violence. Just as IT professionals seek to “harden” technology systems to reduce security risks by eliminating potential avenues of attack, local government managers can strategically “harden” their physical space while still maintaining a welcoming environment for their citizens and employees.

Important steps to create safety

Two important steps to consider when securing a workplace location are controlling building access and providing staff training. Controlling building access ensures that everyone who enters a building has a legitimate need to not only be in that building, but also that specific location inside the building. For example, location access can be controlled by a key card to prevent access to certain floors or offices. No amount of access security will be as effective, however, if staff aren’t trained to identify potential threats. The phrase “If you see something, say something” is now used to remind employees and citizens that they play an important role in keeping themselves and those around them safe. Moreover, in the event of a dangerous situation, employees familiar with the building’s safety procedures will be better positioned to not only get themselves to safety but to assist visitors who are likely to follow the lead of employees and managers.

VRSA can help

Take the time now to plan how you will handle a future event. VRSA encourages our members to consider doing the following:

- Develop plans for security, emergency response, emergency communications, and business continuity. These plans should take into consideration the protection of your employees and customers and may include (but are not limited to) things like using access controls, installing closed-circuit television cameras, displaying prominent signage, developing suspicious activity reporting protocols, and augmenting parking security.
- Evaluate your security requirements and design a monitoring, surveillance, and inspection program that is consistent with your operations.
- Develop evacuation and shelter-in-place plans and ensure that multiple evacuation routes are clearly marked with appropriate signage and that rallying points are available.
- Develop and implement a security plan for computer and information systems hardware and software.
- Engage local first responders (police, fire, medical) in all the above efforts to ensure your efforts are in synergy with theirs.

The Virginia Risk Sharing Association (VRSA) works with our members on physical site assessments. These assessments review both hazard risks and operational risks. In addition to physical site assessments, VRSA offers an Active Shooter/Workplace Violence Prevention in-person training session. Online resources through the VRSA Online University include Workplace Violence, Managing Workplace Conflict and Workplace Bullying and Violence Prevention.

About the authors: The Virginia Risk Sharing Association (VRSA) is the first and most financially sound self-insurance pool in the Commonwealth of Virginia. For nearly 40 years VRSA has provided auto, property, liability, and workers’ compensation coverage to Virginia local political subdivisions.
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