

RICHMOND REGIONAL PLANNING DISTRICT COMMISSION
Minutes of Meeting
December 11, 2008

Members/Alternates Present

Malvern R. "Rudy" Butler (M)..... County of Goochland
Deborah B. Coates (A)..... County of Hanover
Robert R. Cosby (M)..... County of Powhatan
Timothy W. Cotman, Sr., Chairman (M)..... County of Charles City
Marleen K. Durfee (M)..... County of Chesterfield
Evan Fabricant (M)..... County of Hanover
Daniel A. Gecker (M)..... County of Chesterfield
Richard W. Glover (M)..... County of Henrico
John E. Gordon, Jr. (M)..... County of Hanover
Kathy C. Graziano (M), Vice Chairman..... City of Richmond
Jerilynn T. "Jeri" Grigsby (M)..... County of Henrico
John C. Grier (M)..... City of Richmond
Russell J. Gulley (M)..... County of Chesterfield
James M. Holland (M)..... County of Chesterfield
Dorothy Jaeckle (M)..... County of Chesterfield
E. Ray Jernigan (M)..... County of Henrico
David A. Kaechele (M)..... County of Henrico
Beverly C. Lacy (M)..... City of Richmond
Patricia S. O'Bannon (M)..... County of Henrico
C. Harold Padgett (M)..... County of Hanover
George K. Roarty (M)..... County of Chesterfield
Robert R. Setliff (M)..... County of Hanover
Randall R. Silber (A)..... County of Henrico
Brenda L. "Sam" Snyder (M)..... County of New Kent
Stran L. Trout (M), Secretary..... County of New Kent
Joseph B. Walton (M)..... County of Powhatan

Members Absent

Karin Carmack (M)..... County of Powhatan
James B. Donati (M), Treasurer..... County of Henrico
Courtney G. Hyers (M)..... County of Goochland
Delores L. McQuinn (M)..... City of Richmond
William J. Pantele (M)..... City of Richmond
Faye O. Prichard (M)..... Town of Ashland
Ellen F. Robertson (M)..... City of Richmond
Frank J. Thornton (M)..... County of Henrico
Arthur S. Warren (M)..... County of Chesterfield

Others Present

John R. Amos..... RRPDC Legal Counsel
Nora AmosTown of Ashland
John T. BentonCitizen, Chesterfield County
Bernie Harris.....CVWMA
George Homewood..... County of New Kent
Kim HynesCVWMA

Staff Present

Robert A. Crum, Jr..... Executive Director
Jo A. Evans Assistant Executive Director
Julie H. Fry..... Executive Secretary
Anne Darby.....Associate Planner
Jin Lee.....Senior Planner
Daniel N. Lysy Director of Transportation
Sarah Smith.....Senior Planner
Jackie S. Stewart..... Director Planning/IS
Peter M. Sweetland..... Finance and Contracts Administrator
Matt Weaver..... Intern
Lee YoltonPrincipal Planner

Call to Order

Chairman Cotman called the regularly scheduled December 11, 2008 RRPDC meeting to order at approximately 1:15 p.m. in the RRPDC board room. He then led the Commission members in the pledge of allegiance to the flag.

I. ADMINISTRATION

A. Certification by Commission Executive Director of Meeting Quorum

Mr. Crum certified that a quorum of members was present.

B. Requests for Additions or Changes in Order of Business

Chairman Cotman asked if there were any additions or changes to be made to the agenda. There being none, the agenda was accepted as printed.

C. Open Public Comment Period

Chairman Cotman asked if there was anyone from the public in attendance who wished to make a comment. He reminded speakers that their time is limited to three minutes. There being no requests from the public to address the Commission, the Chairman closed the public comment period.

D. Chairman's Report

Chairman Cotman said he would like to commend everyone who had been involved in the Mayor Riley event held last month. The event was a good program that was well attended. Chairman Cotman said everyone who had been involved did a great job and should be recognized. He said he believes a follow-up event will be held later in the spring.

Chairman Cotman said he would like to thank Ms. Evans for her personal assistance to him in helping with his transition to serve as Chairman, especially in the time prior to a new executive director being hired.

E. Approval of Minutes – November 13, 2008 Meeting

Chairman Cotman asked Mr. Trout to present this item.

Mr. Trout said he wanted to thank Mr. Gordon for being the master of ceremonies during the Mayor Riley event; he did a great job in this role.

Mr. Trout noted the minutes were included in the agenda book. He said that Mr. Walton had a correction and asked him to clarify the correction.

Mr. Walton said he had a question on a quote attributed to him listed on page 20, at the top of the page. He noted that Ms. Fry does a wonderful job on the minutes, however, he would like for his quote to be verbatim from the meeting tape. He had spoken with Ms. Fry, who listened to the tape again and provided him with the verbatim quote ["I'll just add that that sentiment about this being the year, quote-unquote, was what Senator Watkins had said initially back in the spring, take that for whatever it's worth as well."].

Mr. Trout confirmed that Ms. Fry had the verbatim quote and would correct the minutes per Mr. Watson's request. She indicated the change would be made prior to filing the minutes.

Mr. Trout asked if there were any other comments. Ms. O'Bannon stated that at times she will request copies of the meeting tapes, and she had requested a copy of the November 13 tapes. She said she noticed that there are many places on the tape when what is being said by a speaker cannot be heard clearly on the tape. She said she would commend Ms. Fry on her efforts to make sure her notes reflect what is being said to fill in where the tapes are unclear. Ms. O'Bannon said if a person speaks directly into the microphone, the tape is clear. However, if someone speaks away from the microphone, it is not picked up on the tape. She said she had requested the tape to hear what one person had said, but because the person was standing away from the microphone, the tape was not clear. Ms. O'Bannon said she hoped a lapel microphone could be made available as needed

and encouraged members to speak to the microphone directly so their comments will be recorded.

There being no further comments or corrections, Mr. Trout moved that the minutes be approved as corrected. Ms. Graziano seconded the motion. There being no further discussion, the motion carried.

F. Approval of October 2008 Financial Report

Chairman Cotman asked Mr. Crum to give this report on behalf of Mr. Donati, who was unable to attend the meeting. Mr. Crum noted the report was included in the agenda book under Tab 2. He stated that the current fiscal year is about 33% completed and expenditures equal about 31.5%. Staff will answer any questions there might be from the members.

There being no discussion, on motion made by Mr. Butler and seconded by Ms. Graziano, the October 2008 financial reports were accepted for audit as presented.

G. Executive Director's Report

Mr. Crum brought the members' attention to the monthly staff activity report which is included in the agenda book under Tab 3. He noted that RRPDC served as lead host for the already mentioned Mayor Riley event. He thanked the Commission for that opportunity. Mr. Crum reported that over 400 persons had attended the event. He thanked Ms. Fry for her efforts in helping to coordinate the event. He also thanked Mr. Gordon and Mayor-Elect Jones for their participation.

Mr. Crum noted that the Capital Region Collaborative is moving forward. A meeting of the Advisory Team will be held on December 19. He will bring a report back to the Commission on activities of the Collaborative as warranted.

II. OLD BUSINESS

A. Jurisdictional Committees Reports

Chairman Cotman asked Mr. Gordon if he would like to give a report from the Jurisdictions Committees.

Mr. Gordon reported that the committees have been focused on three topics:

- Regional Infrastructure Initiative
- Regional GIS Initiative
- Capital Region Collaborative

Mr. Gordon noted that the jurisdictional committees will have a joint meeting in January, beginning at noon on January 8. He then asked Mr. Crum to speak to the GIS Initiative.

Mr. Crum stated that one of the regional initiatives discussed by the Commission during the past year was the idea of a regional geographic information system (GIS). This is the data management and mapping system that allows the analysis of community characteristics. It is a very important planning tool.

In January, the regional GIS Users Group will be invited to attend the joint Jurisdictions Committees meeting. The Users Group meets regularly to discuss what is being done in each locality regarding GIS. The Users Group is being invited to speak to the members of the Jurisdictions Committees on what opportunities there are to better coordinate regional GIS issues and how the region can move forward on these.

B. Regional Legislative Program

Chairman Cotman asked Mr. Crum to introduce this item.

Mr. Crum reminded members of the Commission that Ms. Evans had presented information on a draft regional legislative agenda to members during last month's meeting. He said the recommendations heard last month had been incorporated into the agenda, which will include:

- Impact Fees and Cash Proffers
- Homestead Exemptions
- Environmental Regulations
- Broadband Infrastructure Initiative
- 599 Public Safety Funding
- Emergency Communications Interoperability

Mr. Crum said the additional recommendations made during last month's meeting were:

- Request proportional representation for the Richmond Region on the Commonwealth Transportation Board (CTB)
- Consider the fiscal impact of regulations on the budgets of localities
- Endorse a policy that the State should provide localities relief from unfunded mandates

Mr. Crum asked if there were any comments or corrections. He said if there are no questions or corrections, staff would request that this proposed legislative agenda be approved by the Commission.

Mr. Butler moved that the legislative package be approved as presented. The motion was seconded by Ms. O'Bannon.

Chairman Cotman asked if there was any other discussion.

Mr. Trout asked how this agenda packet would be distributed to state legislators.

Mr. Crum said staff would present this in brochure form on behalf of RRPDC. It will be distributed to members of the Commission and state legislators. As the General Assembly begins, Mr. Crum will attend committee meetings, and interact with the chairs of the two jurisdictional committees and the Commission Chairman on how to involve local elected officials for assistance in moving the agenda forward.

Mr. Trout said he thought the deadline for having legislation drafted had already passed, and the deadline for introducing legislation has not come up yet. He believes there is a limit to how many pieces of legislation each General Assembly member can introduce this year, and Mr. Trout thinks there may be a timing issue to get the agenda out.

Mr. Butler asked if only members of the Capital Region Caucus will receive the agenda or if it would be distributed statewide.

Mr. Crum said he would like guidance from Commission members on this.

Ms. Graziano asked if this could be sent to other PDCs in the state in order to garner support for common items listed.

Mr. Crum said the Virginia Association of Planning District Commissions (VAPDC) has asked each PDC to submit their final agendas to VAPDC so some commonalities can be identified. Mr. Crum said he thought this should also be provided to the Virginia Chapter of the American Planning Association.

Mr. Trout said with the exception of representation on the CTB, he thought all of the issues had statewide interest.

Mr. Butler said most of the items are the same as those identified by VACo. He said he would like for all state legislators to receive a copy of the agenda.

Ms. Snyder noted that she works for Delegate Jones Johnson, and she suggested that the agenda be delivered personally to each legislator after the start of the session. She said she was concerned about the item regarding environmental regulations and wondered if it had been thought through. Ms. Snyder noted that it may let developers ignore environmental regulations. She does not think this is a good idea. She said this has happened in New Kent and believes this item should be reworked. [Correction approved 2/12/09.]

Ms. O'Bannon pointed out that this particular agenda item states that environmental regulations will be based on sound science. Ms. Snyder said there are different opinions of sound science. Ms. O'Bannon also noted that it is a general statement that environmental regulation should be cost effective. Ms. Snyder said she had read the item but feels it gives developers the idea that they can do whatever they want to do.

Mr. Setliff said Hanover County has very strict regulations on developers, especially with regard to the Chesapeake Bay. He said the extra fees paid by developers are eventually passed down to citizens who are trying to buy a house. He said the county does not ignore any regulations of the Chesapeake Bay Act and imposed a lot of regulations on this issue.

Chairman Cotman said it is a general statement to give guidance to those who are making the regulations to consider the situation; it has nothing to do with regulations that are already in effect. Any new regulation would have to be supported by sound science. He said he hoped that any current regulations were supported by sound science.

Mr. Kaechele asked if there was a formal document on the legislative program available.

Mr. Crum said the summary is included in the agenda book. Mr. Kaechele said he did not see anything on the Homestead Act in that summary. Mr. Crum said it is listed in the Finance Section, under Property Tax.

Ms. Evans said there is no specific mention of the Homestead Exemption, but it is listed as a broader guideline that no changes should be made to the current property tax procedure.

Mr. Holland commented that it was important to be aware that as a new presidential administration is put into place, should funds be available for infrastructure projects, the Region should be in a position to receive any funds that are made available. He said he knew this was more in line with the transportation authority that had been discussed at last month's meeting, but he wanted to make sure the Region would not be left out.

Chairman Cotman noted that the MPO Executive Committee had addressed this issue earlier today.

As there was no further discussion on the motion to accept the legislative agenda as presented, a vote was taken and the motion carried.

III. NEW BUSINESS

A. Central Virginia Waste Management Authority Presentation

Mr. Crum introduced Ms. Kim Hynes, Executive Director, and Mr. Bernie Harris, Director of Operations, with Central Virginia Waste Management Authority (CVWMA).

Ms. Hynes thanked members of the Commission for the opportunity to speak to them. She gave a brief overview of recent CVWMA activities and projects. Following the presentation, she asked if members of the Commission had any questions.

Ms. O'Bannon noted that Henrico County recently held an e-cycle event to collect electronic equipment from citizens for recycling. She asked what happens to that equipment once it has been collected. She said some people believe this equipment is sent to China.

Ms. Hynes replied that CVWMA has a contractor located in New Jersey where the equipment is taken for processing once it has been collected. The equipment is "demanufactured" and the components are marketed separately once they are extracted.

Mr. Trout asked if CVWMA had a recycling program for the new compact fluorescent light bulbs.

Ms. Hynes said the same contractor will accept these bulbs for disposal. She said that Home Depot will also accept these, and CVWMA is referring residents to this retailer. She said they can also be taken to an e-cycling event.

Mr. Butler asked where items are taken that have been collected at the convenience centers.

Ms. Hynes indicated Tidewater Fiber is the contractor that services the centers and it has a processing center in Chesterfield County. The items are sorted and marketed once they are sorted. The items can go overseas or stay in the local area. She said if an item is considered to be trash and not recyclable, it is returned to the landfills, but none of the recyclable material is taken to the landfill.

Mr. Butler suggested that the slots in the bins for cardboard should be larger to make it easier to put the cardboard in the bin. Ms. Hynes said the slots are smaller to encourage that boxes be broken down so more material can be placed in the bin and hauling kept to a minimal to cut down on costs. She said she would consider the suggestion and thanked Mr. Butler for his input.

Mr. Padgett asked about the economics of recycling and which materials are more easily recycled.

Mr. Hynes said the paper market has been very lucrative in recent years, as is metal. With the current economic situation, this may change over the next few months. Glass is not as easily recycled. She said there are hauling, collection, and processing costs. Curbside recycling averages about \$135 per ton as compared with tipping fees which are about \$35 per ton.

Mr. Gulley asked if the current economic situation would cause an increase in fees for collection and whether more material would go into landfills due to increased fees.

Ms. Hynes reemphasized that none of the recycled materials went back to landfills unless it was deemed to be not recyclable. She said this is included in the contracts with processors who cannot take items to landfills without prior approval from CVWMA or the local jurisdiction.

Mr. Gulley asked who would determine any fees charged for curbside recycling.

Ms. Hynes said this would be up to the local jurisdictions; however, there are long-term contracts in place now that have fees set for the foreseeable future. Any increase in costs will be borne by the contractor.

Mr. Kaechele asked what percentage of the operating costs is covered by the sale of the materials.

Ms. Hynes said CVWMA shares in revenues collected by the vendors, but she did not know what percentage that would be of total revenues. Vendors take the risk of less revenues when markets decline.

Ms. O'Bannon asked for the length of the current contract with the vendors.

Ms. Hynes said the contracts are for seven years and the contractor will bear any additional costs due to current economic conditions. She said the curbside contract will begin on July 1 and the terms and fees have already been set.

Mr. Kaechele asked how much an average resident will recycle every year.

Ms. Hynes replied in the curbside program the average is about a quarter ton per year. This does not include anything collected at the convenience centers.

Mr. Glover asked what the current costs are for the program per household.

Ms. Hynes said this averages to about \$1.60 per month per household and is all inclusive regardless of whether a resident participates or not. She said the fee

charged back to local jurisdictions is a flat fee, which is now at 48¢ per capita per jurisdiction for the annual contribution.

Ms. Durfee asked if there were plans to increase the number of households that participate in each jurisdiction.

Ms. Hynes said this is dependant upon each jurisdiction. The jurisdictions determine which areas and how many households are to be included in the programs. She said currently the curbside program is offered in Chesterfield, Henrico, Hanover, Goochland, Ashland, Colonial Heights, and Richmond. Ms. Hynes indicated CVWMA would like to increase the number of households in the program, but localities are being challenged with budget constraints.

Chairman Cotman asked if any assistance was provided to schools in determining what types of materials from science labs can be recycled. He also reminded everyone to speak clearly into the microphones to ensure comments are recorded.

Ms. Hynes said there is a school pilot program underway currently using grant money from the Environmental Protection Agency (EPA). This study will help determine the amount of waste created in schools and what can be recycled. There are 28 schools participating and bearing a small percentage of the costs associated with collecting the materials. The study will last for two years and results will be provided to the jurisdictions once the study has concluded.

Mr. Cotman asked if CVWMA provides information to schools on how to handle science lab material that is not recyclable.

Ms. Hynes said there is information on the CVWMA website for teachers on how to handle this type of material and how to begin recycling programs in the schools. She said she believes some of the drop-off seen in CVWMA recycling programs may be due to schools offering a low-cost way to collect recyclable items.

Mr. Padgett asked if rain will degrade any paper materials left outside for curbside pick-up.

Ms. Hynes said it adds to the weight of the material but does not impact the actual recyclability of the material.

As there were no other questions, Chairman Cotman thanked Ms. Hynes and Mr. Harris for attending the meeting and providing an update on CVWMA activities.

B. FY 2009 and FY 2010 Budgets and Work Programs

Chairman Cotman asked Mr. Crum to introduce this item.

Mr. Crum said this is an action request item and noted that Ms. Evans will review the information for members of the Commission. This is a review of the proposed revisions to the FY 09 budget and work program and a preliminary look at the FY 10 budget and work program. He said he'd like to stress that the FY 10 information will be seen again in May before any final action is taken.

Ms. Evans began the review by noting the agency is in a very strong financial position thanks to prudent financial management and sound direction by the board. The agency has been able to set aside funds for any catastrophic financial situation as well as funds to react to any cuts in traditional funding sources. The budgets have been balanced by looking at staffing and program needs and making adjustments as necessary.

There have been questions in the past regarding the undesignated fund balance and how it is used over the course of the year. Ms. Evans provided a chart that showed the actual cash flow for FY 08 and the first quarter of FY 09, indicating how levels fluctuate depending on when reimbursements are received and financial obligations are met. The chart showed the amount in excess of the \$1 million set aside at the board's direction for use in catastrophic situations. The funds shown are what is used as needs arise to meet financial obligations. Ms. Evans noted that the agency must spend money in order to receive reimbursements through grants and member dues. The chart shows that through September, the fund balance is above the \$1 million mark by about \$400,000.00. It is projected that by the end of the fiscal year, the undesignated fund balance will be about \$660,000.00.

Ms. Evans noted that about two-thirds of the agency's budget comes from federal and state grants. This year there are four grants: two transportation grants and two coastal grants. One of the transportation grants is urban transportation for work done on behalf of the MPO. The other is a rural transportation grant. The money for the program must be spent per the contract and the work will be reimbursed at the end of the quarter once time sheets and other documentation are provided. For every \$1.00 spent by the agency on a grant program, the agency is reimbursed \$2.12. If there are staffing vacancies, this tends to hurt the agency because it cannot recover some of the indirect costs. For every \$1.00 paid to a staff member to work on a grant program, the agency is reimbursed \$2.12 for that person's work. If the person is not on staff to do the work, the agency does not receive the reimbursement.

Ms. Evans noted the FY 09 budget reflects revisions made according to actual expenditures in FY 08 and the first quarter of FY 09. When work began on the budget, there was only one quarter's worth of information to use. Staff will

request approval of the revised FY 09 budget today and, if needed, again in May. At this time, most factors are known. The only variable may be in expenditures but no major changes are expected between now and May.

For revenues, the information included in the agenda book is a comparison of current figures at this time and what the board approved for FY 09 in May, 2008. These have been reduced 5.5% due to staff vacancies, which reduces the amount of grant money received. The other item that has impacted revenues is that there has been no sub-lease agreement on the additional office space. Ms. Evans noted this space has been listed with the State and talks have been held with a realtor.

Expenses are listed in detail in the agenda book under Tab 5. For FY 09 there was a reduction in personnel costs of \$103,400 due to four vacant positions being unfilled or to staff turnover. Some training funds have been restored. There have been some program changes relating to deadlines which account for other changes in expenses. The agency also now leases only one vehicle for staff use; there is no leased vehicle specifically for the executive director.

Ms. Evans reviewed the fund balance status noting that at the time of the audit, there was a balance of \$1,693,000.00. Per board action, \$1 million of that has been set aside. It is anticipated that the agency will need to use \$31,300 (5%) to balance the budget, leaving an estimated year end balance of \$662,055.00. This will allow two of the four vacant positions to be filled during the fourth quarter.

Mr. Kaechele asked if interest income was based on this figure on the revenue side of the budget. Ms. Evans indicated this was correct. He asked what percentage rate was expected. Ms. Evans said it was based on the total amount.

Mr. Glover asked if the unfilled positions were in the PDC or the MPO. Ms. Evans responded that all positions are PDC positions. Mr. Glover asked if there were any planners in the MPO. Ms. Evans said all positions are PDC positions with most staff working on behalf of the MPO. One of the open positions is a Senior Transportation Planner position in the Urban Transportation Division which does work on behalf of the MPO.

Mr. Glover said the federal government allows a certain amount of funding based on the number of work hours and work days. Ms. Evans said that was correct. Mr. Glover asked if this is where money was spent and reimbursed on a quarterly basis. Ms. Evans said that was correct.

Mr. Glover asked how many positions were allocated to MPO planning. Ms. Evans said of the vacant positions, one of those would be full time. Mr. Glover said he was speaking about the entire agency. Ms. Evans said there are seventeen (17) filled positions which can vary from 100% of the time down to 5% of the time that any staff member would be working on projects on behalf of the MPO. Mr. Glover said the federal government gives a certain amount of money based on

man hours and man days worked. He said this is allocated based on how many people are assigned to that project. He said not all of these seventeen people were assigned to the MPO. Ms. Evans said not all were assigned 100% of the time; however, some part of their time is assigned to MPO work.

Mr. Glover asked why there was no longer a separation between PDC and MPO work. Ms. Evans said the agency is operating the way it has always operated.

Mr. Crum stated there are three divisions in the PDC: Administrative, Planning, and Urban Transportation Planning. He said in Urban Transportation, there is a director plus five (5) professional planner positions, one of which is vacant. He said there are also grants available in the Planning Division. He said there is some administration time in supervision of MPO staff and support of the MPO that is billable for those programs. Mr. Crum said a portion of the Planning Division is also supported by a stream of grant monies. He further said that indirect costs are also lost when there are vacant positions.

Mr. Setliff asked if the vacant positions are filled, would there be more “profit” than was shown in the current figures. Ms. Evans said the budget assumes two positions would be filled during the last quarter which would balance everything out. She said if the Communications Coordinator was hired this year, which is not in the budget, part of that position’s time is spent on MPO programs and other grant programs. In part, that would brighten the picture. Mr. Setliff asked if the positions that would be filled this year would add to the revenues. Ms. Evans said one of the positions would – the one in Urban Transportation.

Mr. Glover said at the beginning of each year the agency must submit to the federal government what programs will be in place and how many hours are anticipated to be needed to complete the programs. Ms. Evans said that was correct. Mr. Glover asked if quarterly reports were submitted to show the status of this work. Ms. Evans again stated that was correct. Mr. Glover said if there was no staff member to work on the program, then unused funds would be rolled over to the next year to the MPO.

Ms. Evans said if the agency does not have that staff member, then the agency does not have the funds. Mr. Glover said the money could be rolled over; it’s on a two-year cycle. Ms. Evans said that was possible and it is done. Mr. Glover said no money was being lost. Ms. Evans said if there was an unanticipated vacancy on staff, then money might be lost.

Mr. Glover asked if reports were submitted each quarter, would money be received regardless of how many staff members were working on the project. Ms. Evans said the agency is reimbursed according to what is spent in terms of staff time and other expenses dedicated to a work item.

Mr. Crum added that the important consideration is whether the job could be done with four staff members rather than six. This is possible, however, work productivity and quality of the work will decrease with less staff. Mr. Glover said he disagreed. The staff who work for Mr. Lysy and report to Mr. Crum through Mr. Lysy do a good job.

Continuing with her report, Ms. Evans noted this is the first look at the preliminary FY 10 budget. All numbers are very soft due to further potential cuts at the State level, numbers are not yet available from VDOT and VDRPT, or what PL and 5303 funds will be like for Urban Transportation. Numbers for FY 10 are compared to what has been presented for FY 09. Staff will request action to approve the draft FY 10 budget. Final numbers on revenue sources will be available to be presented to Commission members in May.

On the revenue side, it is assumed there will be a 5% reduction in State appropriations; member dues will remain at the same rate (60¢ per capita) based on a 1.3% population growth in the region; level funding for base grants is anticipated; \$290,000.00 will be moved from FY 09 to FY 10 due to vacancies and other reduced expenditures; and it is anticipated there will be level interest and investment rates.

In FY 10, with regard to expenses, it is assumed all 21 positions will be filled and there will be no staff vacancies. It is assumed there will be a 2% cost of living adjustment and a 3% variable merit increase effective July 1; this is consistent with past years' budgets and practices. The FY 10 budget also assumes a 5% growth in audit and insurance fees.

For FY 10, it is anticipated that \$68,100.00 will be needed from the fund balance to balance the budget. This will leave a FY 10 estimated ending balance of \$593,955.00 which will be available should economic conditions not improve during the next year. The agency will continue in a strong financial position with limited use of the fund balance based on the balancing of staffing, program needs, and fiscal considerations.

Mr. Kaechele asked what percent of merit and wage adjustment was taken in FY 09 as compared to what is being proposed for FY 10. Ms. Evans said it was the same: 2% cost of living and a 3% variable merit increase. She noted that members will review the budget again in May when more accurate figures will be available before any salary adjustments are made.

Mr. Kaechele asked if these adjustments were consistent to what was being done in the local jurisdictions. Mr. Glover added that several years ago it was agreed that the PDC would not exceed what was being done in the localities, and what was being proposed today did exceed that. Ms. Evans said she did not recall this action being taken by the board. Mr. Glover said the board did vote on this, and

the Commission directed staff not to exceed the localities in their actions to make staff wage adjustments.

Mr. Crum said while he respected that comment, he would like to stress that the budget being presented was reviewed thoroughly by staff to balance agency needs with fiscal considerations. The agency needs to begin to systematically look at the budget, and he noted the most valuable resource the agency has is its staff. He said in his opinion, he feels that some positions are undercompensated. He said staff looked hard at how to present a budget to members that was sensitive to the issues and still retain the professional staff and give them some increase next year. It is the board's prerogative to revise the budget being presented. Mr. Crum noted the budget being presented allows vacant positions to be filled to better provide services to the Commission members in order to meet the different regional initiatives identified by the board for the agency to work on over the year. This budget also allows these needs to be addressed and still have almost \$1.6 million in the bank with \$593,000.00 being available as an undesignated fund balance. This is due to the prudent actions by the board and the sound fiscal planning of board members and staff, the agency is in a very strong financial position. Mr. Crum said it is his professional recommendation that the budget should be approved as presented. He said he thinks this will allow the agency to remain in a strong financial position and maintain a healthy organization.

Mr. Glover indicated he does not think staff should be earning less than what the position should pay and suggested that these positions should have their salaries adjusted based on the type of work they are asked to do. Then the agency should try to follow the local jurisdictions regarding raises. Mr. Glover said salaries are not the same in Richmond as they were in Pennsylvania.

Mr. Crum indicated that there is a wage survey included the current budget that will be completed in FY 09. He said the budget that has been presented is a reasonable one that addresses the organization's needs and still maintains a very healthy fund balance.

Mr. Glover said there used to be a report on the projected MPO projects that included the number of days that would be required to complete the project. He said if members are going to be asked to vote on an MPO budget, then the information needed to know what this budget will be should be available. This should be separated from that of the PDC. Mr. Glover said having the two combined is difficult to follow. The MPO is predicated by the amount of work done on projects.

Mr. Crum said this is done for the Planning Division as well. Mr. Glover said there used to be a report that showed the projects and all days and hours that would be needed to complete the report. Quarterly updates were also given to the Commission on these projects. He said that gave members a better idea of what they were voting on when they voted on the budget.

Mr. Crum said he is interested in what tools he could give to members that would help members to be able to vote on a final budget in May.

Mr. Glover said he would not vote against the budget but he would like to know why he is voting on it.

Mr. Butler said what the local jurisdictions do with regard to their local staffs should be taken into consideration. He said Goochland County has always tried to coordinate with the Goochland School Board to determine salaries and raises. He said this discussion has been had before and he remembers one year the Commission wanted to give raises that were more than what Goochland County was going to give its employees. He said an average needs to be taken. Mr. Butler said the fund balance is not always going to be as high as it is now and at some point, appropriations from the State will not be available. He said the VACo board tries to limit its salary adjustments to what is being given across the State.

Chairman Cotman reminded members that not all revenue information for FY 10 was available at this time but would be presented to members in May.

Mr. Crum noted that the Commission's bylaws require action be taken today on the FY 10 budget as presented with revisions being made in May.

Mr. Butler said it was his perception that the PDC had been ahead of the counties in wage adjustments.

Mr. Crum said he would be glad to gather this information for the May review if this is what members would like to see.

Mr. Cosby said he would like to move that the budgets be adopted as presented, with the understanding that another review will be made in May, in order for discussion to continue. The motion was seconded by Mr. Walton.

Mr. Gecker asked if members would also be voting on revisions made to the FY 09 budget or if they were voting only on the draft FY 10 budget.

Mr. Crum said this motion would approve the changes being proposed to the FY 09 budget and the draft FY 10 budget as presented, knowing that further revisions would be made to the FY 10 budget when it is presented in May. He said he is hearing from members that they would like to see a comparison of salary adjustments with those in the nine member jurisdictions.

Mr. Gulley asked why the FY 10 had to be voted on now instead of perhaps next month. Mr. Amos said the bylaws require that the draft budget for the next fiscal year must be voted on in December.

Mr. Crum said conditions can be added to the motion if desired.

Mr. Gecker asked why there is the \$1 million reserve with the additional 60% over that threshold. He said this new threshold seems to be a bit absurd. He asked if there was a reason to have this much excess over the previously set reserve amount.

Ms. Evans replied that the \$1 million threshold was set following a discussion on when member dues would need to be raised. At that time, about five years ago, staff was asked to begin providing long-range budget projections. In looking at that, the board said the \$1 million should be set aside as an estimated amount that would be needed to meet financial obligations should the agency go out of business. The auditor recommended that four to six months' of budget requirements should be held in reserve which is how the \$1 million amount was determined. The board said there could be funds above that threshold and used as needed, but as soon as this excess reaches the \$1 million mark, then discussions would need to begin on whether a dues increase was needed.

Mr. Gecker said based on what has been discussed today, if the agency is fully staffed, then more money would be brought in to the agency. Why is this much over the \$1 million needed.

Ms. Evans said the agency has been fortunate that the economy has not gone through any rough times since this threshold was set.

Mr. Gecker said at this time, it appears the agency is recession proof and he does not understand the need to carry this much in excess.

Ms. Evans said there is a maximum amount the federal government will provide for transportation planning. VDOT is now saying this maximum may be cut. This is also true of the Rural Planning funding. It is already known that the State appropriations have been cut over the past few years and is likely to be cut again. Two-thirds of the agency budget is predicated on funding sources that are not in the control of the agency. It is anticipated that these funding sources will not be what they have been in the past. If this happens, the agency will need to cut programs, layoff staff, find alternative sources of revenue, or raise member dues, which have not been raised since 1992. Dues cannot go up at this time because the local jurisdictions are being impacted by the current economic conditions.

Mr. Gecker said with this in mind, either more work should be found to do or the agency should be downsized to the point of being justified by the workload.

Ms. Evans said she mentioned the workload would go down because the agency would no longer have the resources to do the work. Staff can do the same amount of work but will receive less money for doing the work because of budget cuts at

the state and federal levels. The State is cutting funding but saying it needs the same amount of work done for fewer funds. Ms. Evans said as long as there is an excess, as the board has said there could be, then this money will be used to fill in the shortfalls of state and federal appropriations.

Mr. Glover asked if the VDOT funding was MPO funding. Ms. Evans said it is PL funding that comes to the agency to do MPO work. Mr. Glover asked if that was federal funding coming to VDOT and then to the agency to do work for the next year. He said there used to be a budget that showed the cost of operating the PDC and the amount of revenues. There was also a budget that showed the same for the MPO. These have now been combined but it's difficult to see how much is used with the current format. He said he would like to know what federal funds are going to be taken away that the federal government has not told the agency about. Mr. Glover said there might be projects that the agency won't be able to do, but he does not know what these projects are.

Mr. Crum said based on information he and Mr. Lysy have seen to date, it is anticipated that a 10% reduction in PL funding will be made. Mr. Glover said this money is not being used now because over \$200,000.00 is going to be rolled over to the next year. Mr. Crum said the funds are not being used because there are staff vacancies. Mr. Glover said there is already more than 10% to roll over.

Mr. Crum indicated that from staff's perspective, having the \$1 million is a standing board policy, and until that policy is changed, then the budget cannot be presented without that money being shown.

Mr. Gecker said he did not question the \$1 million; he questioned the amount over that. Mr. Glover asked if the overage was really undesignated or unencumbered.

Mr. Crum said according to the auditor, it is an undesignated fund balance used to provide cash flow for agency operations. Mr. Glover said the agency has an undesignated fund balance of \$1 million and an unencumbered fund balance of \$600,000.00.

Mr. Crum said in working with the Small and Large Jurisdictions Committees and talking with local jurisdictional staffs, the work is there for the agency to do. There is room for expansion in terms of different program areas to provide assistance needed in the local jurisdictions. He further stated that in looking at the regional initiatives for the PDC, if the PDC is to address these areas, then the vacant positions will need to be filled. They were not filled until now because his position was vacant. The budget being presented is one that staff feels will keep the agency in a sound financial position and allows the agency to do work identified by the board.

Mr. Amos said in response to Mr. Gulley's question on why the budget must be approved today, the bylaws state that the budget must be adopted in December. However, there has always been, by practice and precedent, another look taken at the budget in May to make any revisions.

Mr. Gulley said the requested information should be provided prior to May for review before the budget is voted on. Mr. Amos reiterated that there is a bylaws requirement for the budget to be approved in December.

Mr. Kaechele said other regional bodies that receive funding from the jurisdictions also have a requirement that budgets be passed in December so the jurisdictions can have these figures for their own budgeting purposes. It is also understood this is subject to change once the jurisdictions finalize their own budgets.

Mr. Crum said this is the first look at the FY 10 budget and a final budget will be presented in May. Mr. Amos said it is adopted in December with changes being made in May.

Ms. Jaeckle said she thought it would be difficult to take any actions on these budgets because the jurisdictions are being told to hold off on filling vacant positions and the agency is requesting to fill vacant positions. She asked if the positions should be reprioritized according to the budget.

Mr. Crum stated the two positions being proposed to fill in FY 09 are a Senior Transportation Planner in the Urban Transportation Division and an Administrative Secretary position in the Planning Division. Right now there are professional planners in the Planning Division doing their own administrative work, which is not a very efficient approach. This is what's being asked for approval today. The other vacant positions have been postponed until FY 10: the Communications Coordinator and vacant planning technician position. These will be included the FY 10 budget for approval in May. If the FY 09 budget is approved today, staff will move forward to fill the two vacant positions – Senior Planner in Urban Transportation and the Administrative Secretary in the Planning Division.

Mr. Glover asked if both of these positions are in the PDC or if one is in the MPO. Mr. Crum said MPO Transportation is part of the PDC. Mr. Glover said the federal government allocated money depending on how many planners are in the MPO. The \$200,00.00 that is being planned to roll over will be lost if someone is not hired to use it.

Mr. Crum clarified that the Senior Transportation Planner is in the Urban Transportation Division of the PDC and the Administrative Secretary is in the Planning Division of the PDC.

Chairman Cotman asked if there were any additional questions. Mr. Holland called for the question. There being no further discussion the motion carried.

Mr. Crum thanked the board for their action and said the information requested will be available during the May budget presentation.

C. Regional Infrastructure Initiative

Chairman Cotman asked Mr. Crum to present this item.

Mr. Crum said this item is also an action request item. The topic is a Regional Infrastructure Initiative. During the past year, the PDC has been discussing how to redefine itself in terms of what types of new initiatives the agency should be pursuing. One of the items identified was a Regional Infrastructure Initiative.

Mr. Crum said he has been working with the jurisdictional committees since October to define how this effort should begin and what it should encompass. A proposal for proceeding is included in the agenda book under Tab 6 and has been endorsed by both jurisdictional committees. If this item is approved today, it will be added to the agency's work program.

The Regional Infrastructure Initiative would begin with a data collection effort on the Region's water and sewer systems. He noted that a scope of work is outlined and included as an agenda attachment. At this point it is purely data collection to present a regional picture of the existing water and sewer infrastructure systems.

On the water side, information will be collected to perform mapping on the service areas of all public and private water systems in each locality of the Richmond Region. A regional map of the systems will be created. An analysis of the available water supply of each system will be made and compared to current demand. Staff will work with the local staffs to determine areas of deficiency (problems in terms of outdated water lines, inadequate water pressure for fire protection, etc.) and needs for future growth. This will give a current picture of the region's water systems. This will be overlaid with growth potential in each area with existing zoning and land use plans. This data will be compared to identify future needs.

On the sewer side of the study, the same approach will be taken to map the current service areas, identify current problems, and identify and compare existing capacity of wastewater treatment facilities and future growth areas.

Staff has been meeting in preparation for this effort. There are some additional tasks as shown on page two of the proposal as identified by the committees. Members of the Small Jurisdictions Committee noted that a large percentage of water in rural areas is provided by private wells. The committee felt a synopsis of regulatory requirements to site a well should be provided. The committee also

recommended that a regional map be created to show soil suitability for on-lot sewage disposal sites. Much of the information is already available.

Mr. Gecker asked how much of this data is already available in the jurisdictions and if the PDC would be creating new data.

Mr. Crum said about 90% of the information is already available but the effort would be to put the existing information together in a regional picture. There will be some additional outreach to private water sources.

Ms. O'Bannon asked if it would be done by GIS and if it would be layered. Mr. Crum said that was correct. She also noted that a similar study was requested several years ago on cell towers and wanted to know if this information still existed and would be updated. Ms. O'Bannon asked if cell towers would be added to this initiative or if it would be done later.

Mr. Crum said the proposal is to begin with water and sewer and then to move on to the next infrastructure area as determined by the jurisdictional committees.

Mr. Butler said the cell towers had been discussed several years ago and he felt this was more important than what is being proposed. He said given the legislative package, he thinks there are more residents concerned with receiving broadband service in the rural areas than the water and sewer information. Goochland County has met with neighboring localities to talk about cell towers. He said having cell tower information would be helpful to the localities as new towers are proposed.

Mr. Gordon said there was unanimous endorsement of the water and sewer initiative in both jurisdictional committees. He would recommend that the full Commission should support this initiative as presented. He said he would take back to the Large Jurisdictions Committee that cell towers be considered as soon as practical.

Mr. Butler said he was trying to get done what had been voted on several years ago and now something else is being put ahead of that. He said he feels this is more important than what was just presented and that cell towers have been on the table for several years.

Mr. Gordon made a motion that the Commission endorse the proposal as presented by the Small and Large Jurisdictions Committees. Ms. Durfee seconded the motion. Ms. Durfee also added that the jurisdictional committees spent a great deal of time talking about this initiative. As Mr. Crum pointed out, this is data collection and is not reinventing any information already in the localities. This is just a coordination of that information. She said she believed the jurisdictional committees felt this was the place to begin. There are other issues that can be taken back to the jurisdictional committees, such as cell towers.

Mr. Butler said the cell tower issue was voted on several years ago and nothing was ever done. He feels that both issues should be discussed.

Chairman Cotman called for a point of order to restate the motion was to vote on the proposal as presented. He asked if there was any further discussion on the motion.

Mr. Kaechele asked if cell tower information could be requested at the same time water and sewer information was being collected. He asked if this would be appropriate. He said this could be a friendly amendment to the motion.

Mr. Gordon said he did not see the urgency to add cell towers.

Ms. Jaeckle said she saw this as not a matter of urgency but as a matter of duplication of effort. She said if the staff was going to the locality to ask for water and sewer information, they may as well ask for cell tower information at the same time.

Mr. Trout said this would involve dealing with different divisions in the locality. He said he thought mixing the two did not make a lot of sense. He recommended the motion be voted on as made.

Mr. Kaechele said he did not see that asking for the additional information would be a problem.

Chairman Cotman said there was an amendment proposed to the motion. He asked if there was a second to the amendment. Mr. Butler seconded the amendment. No further discussion was held on the amendment and the vote was to pass the amendment to the motion.

Chairman Cotman said the motion as amended was now on the table. He asked if there was any further discussion on the motion as amended. There being none, the motion carried.

IV. OTHER BUSINESS

A. Committee Reports

There were no other committee reports.

B. Announcements

Chairman Cotman asked if there was a motion to cancel the January RRPDC board meeting. The January meeting is typically cancelled as local jurisdictions hold organizational meetings during January and appoint new members to the

Commission if needed. The motion to cancel the January meeting was made by Ms. Graziano and seconded by Mr. Gordon. There being no further discussion, the motion carried.

C. For Your Information

Items included in this section were:

- *Times-Dispatch* article: Henrico says no to transit authority
- *Times-Dispatch* article: Powhatan unsure about transit plan
- *Times-Dispatch* article: Longtime Charleston mayor speaking in Richmond this week
- *Times-Dispatch* article: Charleston mayor here to inspire Richmond revitalization
- *Times-Dispatch* article: Treating cities as ‘precious heirlooms’ – put people first and tend to the details, Charleston’s mayor says
- *Times-Dispatch* article: A year after Crupi report, what has changed? Leadership changes and financial crisis hamper regional plans

V. ADJOURNMENT

There being no further business to come before the Commission, on motion duly made and seconded, Chairman Cotman adjourned the meeting at approximately 3:00 p.m.

Robert A. Crum, Jr.
Executive Director

Timothy W. Cotman, Sr.
Chairman