Agenda

I. Welcome & Introductions       John Willingham, Council President
II. Breakfast
III. Strategic Plan Overview     Eden Freeman, City Manager
IV. City Budget Overview        Mary Blowe, Chief Financial Officer
V. Legislative Priorities       Eden Freeman, City Manager
VI. Discussion
VII. Closing Remarks           David Smith, Mayor and Members of City Council
City of Winchester Overview:

Winchester City is located in the northern tip of Virginia in the Shenandoah Valley and is the oldest city in Virginia west of the Blue Ridge Mountains. The City currently occupies a land area of 9.3 square miles and serves a population of approximately 27,543; as a regional healthcare, jobs, and retail hub, the City’s daytime population increases to approximately 75,000. Two major interstate highways, I-81 and I-66, and four major state highways, Routes 50, 7, 11, and 522, provide direct access to eastern markets, including Washington, D.C., 72 miles away, and Baltimore, 97 miles away.

The City of Winchester has a Council/Manager form of government. The nine member Council consists of a Mayor and eight Councilors elected from four wards in the city with each ward electing two members from the territory of the ward, and the mayor elected at-large and serving for a period of four years. The Council elects one of the councilors to serve as President for a two-year term. In the governance of the City, the Council is charged with the responsibility of establishing policies and enacting ordinances and resolutions. The City Manager is appointed by the Council, and is charged with the responsibility of administering daily operations and implementing Council directives.

The City provides a full range of services, including the following: police and fire protection; emergency response and rescue services; education; water and sewer services; refuse removal and disposal services; construction and maintenance of highways, streets and infrastructure; parks and recreational activities; cultural events; parking facilities; transit services; social services; planning and zoning; and general administration.

Abbreviated Community Profile:

<table>
<thead>
<tr>
<th>City Government</th>
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</thead>
<tbody>
<tr>
<td>Date of Incorporation</td>
<td>1744</td>
</tr>
<tr>
<td>Date of City Charter</td>
<td>1752</td>
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<tr>
<td>Form of Government</td>
<td>Council-Manager</td>
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<tr>
<td>City Employees (Nov. 2016)</td>
<td>597</td>
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<table>
<thead>
<tr>
<th>Physiographic</th>
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<tbody>
<tr>
<td>Land Area</td>
<td>9.3 Square Miles</td>
</tr>
<tr>
<td>Paved</td>
<td>223.3 Lane Miles</td>
</tr>
<tr>
<td>Sidewalks</td>
<td>116.2 Miles</td>
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<table>
<thead>
<tr>
<th>Largest Private Employers (2016)</th>
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<tbody>
<tr>
<td>Valley Health System</td>
<td></td>
</tr>
<tr>
<td>Shenandoah University</td>
<td></td>
</tr>
<tr>
<td>Rubbermaid Commercial Products, LLC.</td>
<td></td>
</tr>
<tr>
<td>O’Sullivan Films, Inc.</td>
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<table>
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<tr>
<th>Tax Rates</th>
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<tbody>
<tr>
<td>Real Estate</td>
<td></td>
</tr>
<tr>
<td>CY 2016: $0.91</td>
<td></td>
</tr>
<tr>
<td>CY 2015: $0.91</td>
<td></td>
</tr>
<tr>
<td>Personal Property</td>
<td></td>
</tr>
<tr>
<td>FY 2016: $4.50</td>
<td></td>
</tr>
<tr>
<td>FY 2015: $4.50</td>
<td></td>
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<table>
<thead>
<tr>
<th>City Finances - Bond Ratings</th>
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</tr>
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<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td>AAA</td>
</tr>
<tr>
<td>Moody’s Investors Service, Inc.</td>
<td>Aa2</td>
</tr>
<tr>
<td>Fitch</td>
<td>AA+</td>
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<table>
<thead>
<tr>
<th>Population</th>
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<tbody>
<tr>
<td>2015 (est.)</td>
<td>27,543</td>
</tr>
<tr>
<td>2010 U.S. Census</td>
<td>26,201</td>
</tr>
<tr>
<td>1990 U.S. Census</td>
<td>21,947</td>
</tr>
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</table>
Economic Development:

- **State Enterprise Zone Funding** – Increase program funding for the Department of Housing and Community Development’s Enterprise Zone program. The program's offering of prorated incentives diminishes the overall value of the program and dramatically reduces its effectiveness.

- **Historic Rehabilitation Tax Credits** – Support the continued offering of the Commonwealth's historic rehabilitation tax credit program.

- **Increase Blight Reduction Efforts** – Urge the Commonwealth to provide additional funding and programs for the removal of derelict structures.

- **Promotion of CTE Education Opportunities and Enhanced Coordination with Workforce System and Local Educational Resources** – Support a statewide effort to bring together localities and the key education business and workforce development stakeholders to explore opportunities to make systemic changes that will increase the focus on career and technical education in K-12 that meets the needs for local and regional economic development efforts and provides students leaving the K-12 system with workforce ready credentials.

- **Protect Federal and State Funding Resources** – Support continued federal and state funding and technical assistance for infrastructure investments and economic development programs as an effective means for enhancing business development in the Commonwealth.

Education:

- **Unfunded Mandates (Education)** – Oppose state policies that push more expenses onto localities while simultaneously increasing accreditation mandates and graduation requirements in public schools.

- **Composite Index** – Support legislation that would establish an appeals process for local governments to challenge computation of the Local Composite Index.

- **Maintain Appropriate Funding Levels for All Personnel** – Recommend that the Commonwealth should meet its obligation to appropriately fund all K-12 personnel and limit the likelihood of passing exorbitant compensation expenses to the localities.

Natural Resources:

- **Stormwater Management** – Urge the Commonwealth to provide sufficient Stormwater Local Assistance funds to meet the Clean Water and Chesapeake Bay Act requirements.
Public Safety:

- **Illicit Drug Use** – Continue fight against illicit drug use and distribution in the region and provide support to combat illicit drug use in the region.

- **Public Safety Funding Resources** – The City of Winchester requests that the Commonwealth honor its commitment to local police departments by fully funding the “HB 599” program.

- **Expand Funding for Accountability Courts** – The City supports the expansion of funding for accountability (drug) courts in the Commonwealth to fund the creation or expansion of existing courts. Current appropriations do not fund the creation of new courts and only those courts who have received funding in the past receive appropriations. Currently, only 12 jurisdictions in the Commonwealth receive funding to operate accountability courts. The regional accountability court serving the City of Winchester does not receive any funding from the state to offset local costs.

- **Strengthen Penalties for Driving Without a License** – Currently, a first offense for a violation of the Code of Virginia § 46.2-300 is a class 2 misdemeanor and subsequent offenses are a class 1. The City recommends the Commonwealth strengthen this penalty for persons over 25 who are driving without a license to a charge of a class 1 misdemeanor on the first offense.

- **Emergency Custody and Involuntary Temporary Detention** – Code of Virginia § 37.2-808 requires that a person taken into custody on an Emergency Custody Order be evaluated by a member of the Community Service Board (CSB). This often can be time consuming for officers who must wait in the Emergency Department until a CSB member arrives to complete the evaluation. In order to allow officers to return to duty in an expeditious fashion, the City recommends the Commonwealth change this requirement to match the practice followed in other states that allows the evaluation to be completed by two physicians. Changing this law would not only save officer time but would expedite processing of persons in crisis and save the resources of CSB staff.

Transportation:

- **Protect Commonwealth Transportation Funding Programs** – Maintain the level of funding for the Commonwealth's Revenue Sharing program and other appropriate transportation programs.

- **Provide Equitable Street Maintenance Payment Funding from the State** – The City urges the Commonwealth to provide the necessary supplemental funding to assist the City in maintaining its existing roads.
Health and Human Services:

- **Provide Adequate State Funding for Local Administration of Social Services and Health Departments** – Urge the Commonwealth to provide the funding necessary to support existing social services programs in the state. The City’s match rate for staff, administrative and operational costs in FY2016 was 36.98%.

- **Provide Fair Local Match Rates for Child Services Act Funding** – Support the elimination of the match requirement for non-mandated children.

- **Continue to Direct TANF Funding to Programs that Break the Cycle of Poverty** – Request that the Commonwealth modify TANF localities groupings for assistance payments to reflect current local costs.

- **Drug Screening Costs for Child Welfare Clients** – Request the Commonwealth provide additional financial support for drug screening of child welfare clients due to an increase in Child Protective Service reports of parental substance abuse. Total drug screening costs for the City’s Department of Social Services in FY2016 was $45,782.50 and was primarily funded by the Children’s Service Act (local share of CSA was 44.51% in FY2016). In the FY2017 budget allocation for Safe and Stable Families (PSSF), the Commonwealth provided funding for drug screening in the amount of $5,889.00. PSSF funds have a 15.5% local match which is significantly lower than CSA. PSSF funds awarded for drug screening remain insufficient to meet local need.

- **Centralized Intake for Child Protective Service** – Administrators for the Virginia Department of Social Services have indicated in multiple venues that they plan to lobby for funding to centralize Child Protective Service Intake this legislative session. Centralized Intake means that reports of child maltreatment would no longer go to the local agency but to a state call center. This appears to be a reaction due to a local department of social services elsewhere in the Commonwealth not properly documenting and following up on reports of child maltreatment. Local concerns include; impact on validity decisions, inadequate or missing information and potential effects on customer service to our vulnerable populations. The Virginia Department of Social Services currently operates the Child Abuse and Neglect Hotline. Our staff indicate that reports received from the Hotline are not the same quality as reports taken locally and are often poorly documented and missing critical information. The West Virginia Department of Health and Human Resource moved to a centralized intake model in 2015 and local agencies have reported negative impacts. The City of Winchester urges the Commonwealth to maintain the current practice of having local agencies complete the intake process and not move to a statewide, centralized system.

- **Housing Choice Voucher Program** – Urge the Commonwealth to increase administrative fees to operate program.

- **Child Care Subsidy Program** – Urge the Commonwealth to increase funding to support the Child Care Subsidy Program, which allows families in financial need to have safe and appropriate child care while continuing to work to support their families. Winchester currently has a waiting list of 31 families with 57 children.

- **General Relief Indigent Burial** – Urge the Commonwealth to reinstate funding for the General Relief Indigent Burial program which was eliminated in FY2012. This is an unfunded mandate to localities that is 100% funded with local tax dollars. In FY2016, this cost the City $12,072.
General Government Administration:

- **Proffers** – Request that the authority to accept cash and in-kind proffers from developers must be restored without restrictions and supports changes to the conditional zoning law to allow greater flexibility in the process for determining impacts to be addressed when considering an application for development.

- **High-speed Internet Access** – Urge the Commonwealth and Federal Government to assist communities in their efforts to deploy universal affordable access to broadband for all areas.

- **Local Zoning Authority** – Maintain local authority to plan and regulate land use.

- **Right-of-Way Vacation Requests** – Encourage the Commonwealth to remove the capped application fee for right-of-way vacation requests as codified in the Code of Virginia § 15.2-2007. The current capped amount of $100 is not sufficient to cover the cost of staff review by numerous City departments. This capped “reasonable fee” has been in place since at least 1979, which is not realistic in today’s dollars. Right-of-way vacations remain one of the most time-consuming approval processes. Unlike other ordinances which can go through a first and second reading at City Council with a public hearing and action at the same meeting as the second reading, right-of-way vacations must, per State Code, include a public hearing and appointment of viewers prior to coming back to Council for a report of the viewers, second reading, and action. This means that this one particular type of ordinance requires review at three separate meetings of Council instead of just two meetings as is normally the case.

- **Airbnb Regulation** – Strongly support legislation preserving our local land use authority and not have it taken away in the form of a statewide regulatory system. Any bill that the General Assembly may pass should preserve the City’s ability to make decisions which are best tailored for the unique characteristics of Winchester. We believe that Short Term Online Rental Market companies should compete on a level playing field and be subject to the same laws and regulations as other businesses competing in the lodging and residential building industries.

- **Dillon Rule/Local Authority** – Urge the Commonwealth to support legislation that strengthens and reinforces decision making and governing authority at the local level wherever possible, in place of such decisions at the state level.

- **Public Notice, Public Hearing and Public Procurement** – Support legislation that would reduce the required newspaper advertising for public meetings, notices and public procurement and would support legislation that would authorize localities to utilize electronic or other forms of advertising as an alternative to print newspaper advertising.

- **Freedom of Information Act** – Oppose any legislation pertaining to the Freedom of Information Act that places additional undue burden on localities.

- **Local Approval for Wireless Communications Facilities** – Support the continuance of local government authority to approve the locations and conditions for the placement of wireless communications facilities.

- **Interest on Tax Refunds** – Support legislation to eliminate the payment of interest on tax refunds resulting from taxpayer error.

- **Tourism Promotion** – Support continued state tourism promotion by the Virginia Tourism Corporation and favors establishing a dedicated revenue source to fund tourism promotion at a level of no less than $30 million annually.
Reduction of Local Government Fiscal Austerity:

- **State Budget** – Rebalance resources and responsibilities so that the Commonwealth's funding partnership with localities will not be strained and place undue hardship on Virginia's communities in their pursuance of providing programs and services that are oftentimes Commonwealth-mandated to their citizens.

- **Unfunded Mandates** – Urge the Commonwealth to halt future unfunded mandates which include the Commonwealth's shifting of traditional state funding responsibilities onto local governments and the imposition of new funding requirements or the expansion of existing ones on services delivered at the local level.

- **Preservation of Local Revenue Streams** – Request that the General Assembly refrain from adopting any legislation that would restrict or reduce any Commonwealth localities revenue sources.

- **Reinstate the First-Day Introduction Requirement for Local Fiscal Impact Legislation** – Requests that both houses of the General Assembly adopt rules that would require proposed legislation that may have a fiscal impact on localities to be introduced no later than the first day of each session.

- **Funding for State Mandated Positions** – Urge the Commonwealth to meet its full funding obligations for constitutional officers and state mandated positions.

- **Jail Funding** – Request the state to increase jail per diems in the FY 2016-2018 biennial budget to 2010 levels and that the state reinstate the definition of state-responsible inmates to felons with sentences of one year or more, fully fund its share of per diem payments in the introduced budget and pay the medical costs of inmates using a cost-effective program jointly funded at the federal and state levels. Our estimates are that it costs the Northwest Regional Adult Detention Center member localities more than $2,000,000 in additional costs a year to house these inmates. To put that into perspective, that's approximately 11% of the annual jail budget.

- **Election Costs** – Recommend the General Assembly adopt legislation that would reduce the financial impact of elections on localities. Specifically, the City recommends that the State provide funding to localities for the acquisition of required voting equipment and associated registrar expenses.

- **Library Funding** – Seek an increase to the state aid formula for public libraries. Funding available for public libraries currently falls short of the amount needed to fully fund the formula as defined by the Code of Virginia. Funds are needed, as more and more Virginians turn to their public libraries to help bridge the gap between those with access to electronic resources and those without.

- **Study Dedicating Additional Lottery Monies to Local Governments** – Support the Commonwealth facilitating a Joint Legislative Audit and Review Commission (JLARC) study of the feasibility of dedicating additional lottery dollars to local governments.

- **Aid to Localities Funding** – Urge the Commonwealth to restore Aid to Localities funding to pre-recession levels. See below for the collective impact this reduction in funding has impacted the City of Winchester:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Annual Distribution</th>
<th>Change from Previous FY</th>
<th>Precentage Change in AD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$5,211,618</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2011</td>
<td>$4,739,253</td>
<td>-$472,3650</td>
<td>9%</td>
</tr>
<tr>
<td>2012</td>
<td>$4,375,308</td>
<td>-$363,945</td>
<td>8%</td>
</tr>
<tr>
<td>2013</td>
<td>$4,186,596</td>
<td>-$188,712</td>
<td>4%</td>
</tr>
<tr>
<td>2014</td>
<td>$4,056,662</td>
<td>-$129,934</td>
<td>3%</td>
</tr>
<tr>
<td>2015</td>
<td>$3,912,494</td>
<td>-$119,005</td>
<td>3%</td>
</tr>
<tr>
<td>2016</td>
<td>$3,912,494</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>2017</td>
<td>$3,912,494*</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$34,306,919</td>
<td>-$1,273,961</td>
<td>4%</td>
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*indicates budgetary estimate
1. I, Kari J. Van Diest, Deputy Clerk of the Common Council, hereby certify on this 5th day of January 2017 that the following Resolution is a true and exact copy of one and the same adopted by the Common Council of the City of Winchester, assembled in regular session on the 3rd day of January 2017.

RESOLUTION TO ADOPT THE CITY OF WINCHESTER'S 2017 LEGISLATIVE AGENDA

WHEREAS, the City of Winchester utilizes a robust strategic planning model to guide our priorities and efforts for the duration of the adopted plan, and;
WHEREAS, the state government is a vital partner in the pursuance of the City of Winchester's strategic plan goals through setting policy and funding priorities in parallel with Winchester's Strategic Plan, and;
WHEREAS, the City of Winchester is a member of the Virginia Municipal League and Virginia First Cities, which advocate on Winchester's behalf through the creation and adoption of their 2017 Legislative Priorities, and;
WHEREAS, the City of Winchester prepares an annual legislative agenda to share with our local delegation of the Virginia General Assembly;
NOW THEREFORE BE IT RESOLVED, that the Winchester City Council supports the legislative priorities that seek to:
1. Increase program funding for the Department of Housing and Community Development's Enterprise Zone program;
2. Continue the availability of the Commonwealth's historic tax credit program;
3. Promote Career and Technical Education (CTE) opportunities in the Commonwealth;
4. Protect federal and state economic development funding resources;
5. Protect Commonwealth transportation funding funds from the state;
6. Provide equitable street maintenance payment funding from the state;
7. Provide support to combat fraud drug use in the region;
8. Request the Commonwealth to fully fund the State Assistance to Local Police Department (SALPD) (2019);
9. Expand funding for accountability (drug court);
10. Strengthen penalties for driving under the influence;
11. Request the Commonwealth to authorize physicians to evaluate individuals taken into custody under an emergency custody order other than for a traffic violation;
12. Provide adequate state funding for local administration of social services and health departments;
13. Provide the local match rates for Child Services Act Funding;
14. Continue to fund TANF funding to programs that break the cycle of poverty;
15. Provide additional funding for drug screening at child welfare clients;
16. Request that the Common Council terminate Child Protective Services actions;
17. Request the Commonwealth to increase administrative fees to operate the Housing Choice Voucher Program;
18. Request the Commonwealth to increase funding to support the Child Care Incentive Program;
19. Relocate funding for the General Relief Indigent Rural Program;
20. Oppose state policies that place additional reporting requirements onto localities without providing appropriate funding;
21. Support legislation that would establish an appeals process for local governments to challenge completion of the Local Composite Index;
22. Recommend that the Common Council support the obligation to appropriately fund all K-12 schools;
23. Recommend that the Commonwealth provide sufficient state and local assistance funds to meet the Clean Water and Chesapeake Bay Act requirements;
24. Request the authority to accept cash and in-kind proffers and development be renewed without restrictions;
25. Urge the Common Council and Virginia General Assembly to adopt the Virginia Tourism Corporation's recommendations to develop a comprehensive tourism strategy;
26. Encourage the Commonwealth to remove the required state funding for the right-to-work initiative in the form of a state-wide regulatory system, specifically pertaining to the Short Term Insurance Program;
27. Support legislation to preserve the local land use authority and not have it taken away Online Rental Market;
28. Support legislation to authorize localities to pass local sales taxes in order to fund local needs without restriction;
29. Urge the Commonwealth to support the local land use authority to make and governing authority at the local level;
30. Support legislation that would authorize localities to utilize electronic or other forms of advertising as an alternative to print advertising;
31. Oppose any legislation pertaining to the Freedom of Information Act that places additional undue burden on localities;
32. Support the continuation of local government authority to approve the locations and funding for the placement of wireless communications towers;
33. Support legislation to eliminate the payment of interest on tax refunds resulting from taxpayer error;
34. Support continued state tourism promotion by the Virginia Tourism Corporation and avoid establishing a dedicated revenue source to fund tourism promotion at a level of less than $30 million annually;
35. Request the Commonwealth to rebalance its resources so that its funding partnerships with localities will not be strained;
36. Halt the future general levying of additional unfunded mandates from the Commonwealth on localities;
37. Request that the General Assembly refrain from adopting any legislation that would restrict Commonwealth localities revenue sources;
38. Request that the Commonwealth re-instate the first-day introduction requirement for local fiscal impact legislation;
39. Urge the Commonwealth to meet its full funding obligation for constitutional officers, state mandated positions;
40. Increase jail funding per diem in the FY2016-2018 biennial budget to 2010 levels and that the state reimburse the definition of state responsible inmates to follow with sentencing of one year or more and pay the medical costs of inmates, fully fund its share of per diem payments in the introduced budget and pay medical costs of inmates using a cost-effective program jointly funded at the federal and state level;
41. Recommend that the General Assembly adopt legislation that would reduce the financial impact of elections on localities;
42. Seek an increase to the state aid formula for public libraries;
43. Support the Commonwealth in revising a Joint Legislative Audit and Review Commission study that would explore dedicating additional lottery monies to local governments;
44. Urge the Commonwealth to restore Aid to Localities funding to pre-recession levels.

BE IT FURTHER RESOLVED, that the Winchester City Council also encourages the

Rescission No. 36/15-16
ADOPTED by the Common Council of the City of Winchester on the 3rd day of January 2017
Kari J. Van Diest, DBC
Deputy Clerk of the Common Council