

# Virginia Town & City

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Achievement Award Information Inside

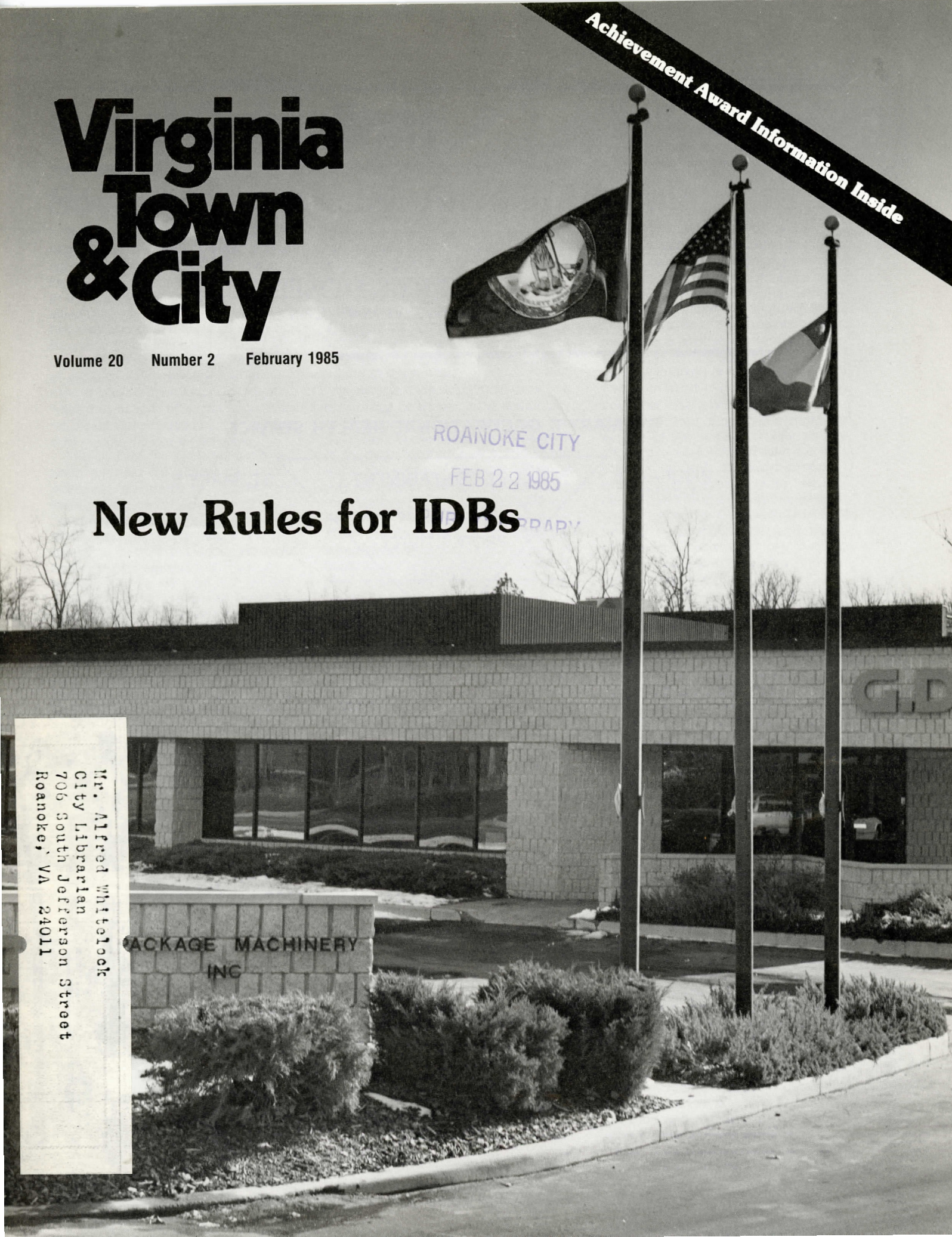
ROANOKE CITY

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## New Rules for IDBs

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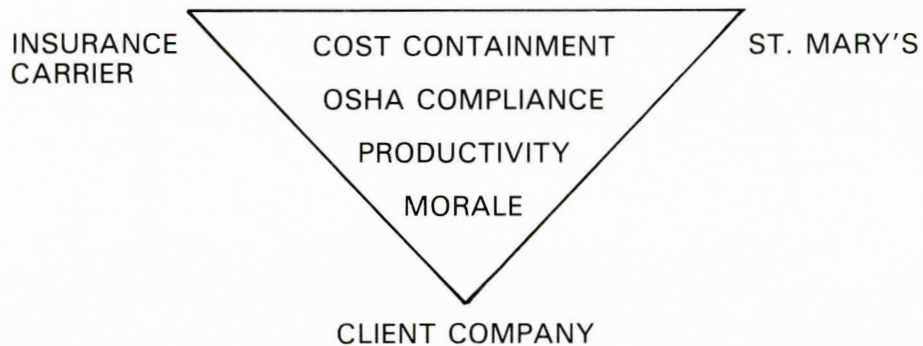
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**On the Cover**

The Chesterfield Industrial Development Authority recently issued a \$1 million revenue bond enabling G. D. Package Machinery Inc., which sells and services high-speed packaging equipment to the tobacco industry, to build an important customer training area and to expand employee facilities. In the future, all development authorities will have to look closely at their bond issues due to the new limited bond allocations. You can read about the new allocations on page nine of this issue of Virginia Town & City. (Cover photo by Mark Mitchell.)

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# Using Computers in the General Assembly

By Elizabeth Gawron

***"It's Thursday afternoon, and I still can't get these d— machines to work!"***

Those were my words during the opening days of the Virginia General Assembly in Richmond, and probably similar sentiments could be heard coming from the offices of other legislative liaisons using computers for the first time.

The use of computers to assist with legislative support is a fairly new phenomenon in Virginia, but once mastered it becomes invaluable.

Arlington County has equipped its assistant to the county manager, who works in Richmond full time during the General Assembly as the county's legislative liaison, with the most modern communication devices available. The purpose of the equipment is to facilitate fast and accurate communications between the liaison's Richmond office and the county. To be an effective legislative liaison at the General Assembly it is important to have information about specific bills at the right time and in the right place.

Arlington initiated its computerized communication system for its legislative liaison during the 1984 session and expanded it for the 1985 session. Since Arlington already had equipment in the county office, start-up cost the county less than \$1,000, but other localities could provide their liaisons with a basic computerized communication system for about \$5,000.

Arlington's system currently consists of the following elements:

- a portable personal computer in Richmond,
- a mainframe receiving system in the county,
- connection with a national computer communication network, PTI NET, and
- the General Assembly Bill Service at both ends.

Actually, two separate systems operate to relay from remote locations two primary types of information: (1) the impact of specific bills on the county is relayed between the legislative liaison and specific county departments, and (2) critical messages are sent between the legislative liaison, the county manager's office and the elected county board. (Arlington County operates under the county manager plan, and its elected governing body is called the county board.)

The first system is composed of a stand-alone personal computer in Richmond and the mainframe receiving system in the county manager's office. The liaison in Richmond receives and reviews the printed bills every day and notes which ones may have an impact on the county. That information is then typed into the computer and transmitted electronically to a personal computer station in the manager's office in Arlington. One person in the county manager's office has been designated to receive the information. This person makes copies of the printed bills, which are sent to the county manager's office by the state's Bill Service, and distributes them to the appropriate department for comment.

Each department has a designated legislative contact, and departments are given two days to respond to the bills they receive. Comments from the departments are then given to the assistant in the manager's office, transmitted electronically back to Richmond and received on the liaison's computer. These comments are then shared with state senators and delegates or are used to prepare testimony before committees and subcommittees.

The second system consists of communication between the Richmond liaison and the county manager, the manager's staff or county board members. This system is designed to cut down on the time and energy lost by not being able to get through important messages. It is often very difficult to get the person you need to talk to by telephone on the first, second or even third try. Also, during the General Assembly the liaison is not sitting in an office but is more likely to be in a committee or other type of meeting. In addition, the county manager or elected officials may be in the meetings or even out of town.

The computer messaging system allows a person to receive or send important and detailed messages without having to speak directly to the other person and without going through a third party.

This system uses the stand-alone personal computer but adds a direct electronic network called PTI NET and the necessary communication software. The liaison checks the network three

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from page five —

times a day to see if messages have been sent or received. The county manager, who carries his personal computer with him when he goes out of town, also checks his computer several times a day for messages.

As an example of how efficiently and quickly the system works, during the 1984 session of the General Assembly the chairman of the county board was particularly interested in a meeting that was held in Richmond and was able to have information in hand within two hours of the meeting. The liaison entered a report on the meeting in the PTI NET immediately after attending the meeting and sent it to the county manager. The manager had the report in hand to give the chairman of the county board in time for their meeting two hours later. All this without the need for direct personal communication.

During the 1985 session, a "short" session, actions on bills started quickly and maintained a feverish pace. The one county board member who acts as the primary contact for board input on legislative matters was added to PTI NET so the liaison could communicate directly through the electronic network with the board member. At one point during the session, it was critical to get a message to the county board so they

could call members of a committee about to vote on one of the county's top priority issues. The board legislative contact was out of town, but it was still possible to get her the message and have it received in time without a direct personal contact.

Both systems have proven very effective for the county. The Arlington delegation at the General Assembly has been pleased with the support it has received from the liaison and the county departments during the General Assembly. When working with a legislative body, particularly the Virginia General Assembly which holds such brief sessions, information, quick and accurate, is the most important commodity in town.

### About the Author

*Elizabeth Gawron is assistant to the county manager in Arlington County and has just completed her second year as the state legislative liaison for the county. Before coming to Arlington County Gawron worked for seven years with the National Association of Counties in Washington, DC, where she was project director for management training and development and served as a lobbyist on county government issues.*

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..... **achievement** (ə chēv'  
mənt) [OFr. *achever*, to finish]

— *n.* 1. the act of achieving; the performance of an action 2. a thing achieved, esp. by skill, work, courage, etc.; a successful accomplishment 3. a great or heroic deed; a feat; something accomplished by valor or boldness....

**award** (ə wôrd') — *vt.* 1. to give as a result of judging; to grant or declare as merited or due; to bestow for performance or quality; to assign as the result of careful consideration, as to competitors in any contest — *n.* 1. a judgement, or decision 2. something awarded, a prize.... **call for entries**.....

.... **The 1985 Virginia Municipal  
League Achievement Awards  
Program**.....



**Richmond.** . . . The Virginia Municipal League announced today the opening of its **1985 Achievement Awards Competition** and all VML local governments are urged to enter.

Has your locality successfully completed a program or project this year? Then you could be a winner in the 1985 VML Achievement Awards Competition. It doesn't matter if you represent a small town or a large city or county. There are categories for each, and it's quality the judges will be looking for. Twelve awards will be offered, so start working on your entry now.

What has your locality accomplished this year? Why not tell us about it?

**Purpose.** . . . The goal of the annual VML Achievement Awards Program is to recognize and encourage innovation and excellence in local government in Virginia. The program provides the opportunity for VML member governments and their officials and employees to receive deserved recognition by their peers and various publics for superior and innovative efforts in the profession of local government. In addition, the program provides a means of sharing the best public service ideas in Virginia, a forum whereby all those in local government can learn. And, we hope by sharing our winning entries with the public that we are building an image of Virginia's local governments, their officials and their employees as being competent and caring.

**Basic qualifications.** . . . A locality must be a member of the Virginia Municipal League to enter the competition. Entries must describe programs or projects brought to conclusion or showing significant results between January 1, 1984 and April 30, 1985. Each entry must have a cover page bearing the project or program title, the category of entry, the locality's name

and the signature of the chief elected official. All entries must be typed double spaced and should not exceed eight pages. Black and white photos, art, news clippings, tables or charts, etc. may be attached as an appendix. Three complete copies of each entry must be submitted.

**Presentation.** . . . Although the presentation of your entry will not be the most important consideration of the judges, it will count. Therefore, your entry should have a neat appearance and should be clearly written. We suggest an introduction to include background information such as the need for your project or program, the origination of your project or program, a statement of your objectives or goals and other pertinent information. The major portion of the entry should clearly explain how your project was carried out or how your program operates, and the conclusion should clearly explain the results and/or any potential future impact. How your project was financed and staffed should also be included.

**Categories.** . . . Twelve awards are available, one for towns and one for cities and counties in each of the six areas that parallel VML's policy committees. Localities may enter in all six categories but only once in each category. The categories are as follows:

**Community Development.** . . . Any program to improve the physical or economic vitality of the community, such

as business development, construction projects, housing projects, urban renewal, downtown revitalization or neighborhood development.

**Effective Government.** . . . Any program to improve the operation of government, such as management programs, employee programs or financial programs.

**Environmental Quality.** . . . Any program to improve the environment such as beautification programs, planning and land use programs, sanitation programs, water or energy programs, preservation programs.

**Human Development.** . . . Any program to aid the community's citizens, such as educational programs, social service programs, employment programs, and recreational programs.

**Public Safety.** . . . Any program to improve security in the community, such as court programs, law enforcement programs, fire and rescue programs or emergency preparedness.

**Transportation.** . . . Any program to improve or develop transportation, such as traffic management, road and sidewalk improvements, public transit.

**The judging.** . . . All entries will be reviewed by a VML screening committee and judged by a panel of three individuals selected for their competence and experience in the field of local government. The judges may elect not to make an award in a category should they deem none worthy, or they may elect to present a tie award.

**The award.** . . . Winners will be presented with the VML Achievement Award Pyramid Trophy and will be recognized at the VML Annual Conference in September. In addition, summaries of the winning entries will be published in the September issue of **Virginia Town & City**.

**The deadline.** . . . All entries should be mailed to VML Achievement Awards, P.O. Box 753, Richmond, VA 23206 and must be postmarked by **April 30, 1985**. All entries become the property of the Virginia Municipal League.

**Questions.** . . . Contact Christy Everson in the VML Office at (804) 649-8471.



# New Rules for IDBs

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**Local governments will no longer have the privilege of using unlimited industrial development bonds.**

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**By James D. Campbell**

In 1984, the U.S. Congress passed the Deficit Reduction Act which restricts the issuance of private activity bonds in each state to an aggregate total of \$150 per capita each year. Virginia, therefore, must live and operate with an \$845.4 million statewide ceiling in 1985, and local governments will no longer have the privilege of using unlimited industrial development bonds.

In response to this, Gov. Charles S. Robb recently issued Executive Order 54(85) to establish an allocation formula for the private activity bonds which can be issued by authorities in the commonwealth in calendar years 1985 and 1986.

"Private activity bonds" are defined in Section 103(n) of the Internal Revenue Code as tax exempt obligations and include industrial development bonds and student loan bonds. Certain bonds, however, are expressly excluded from the definition both in federal law and in the governor's executive order.

To allocate the state bond monies among all issuing authorities, both state and local, in a manner to best promote the commonwealth's interest, Gov. Robb initially divided the monies into three portions.

First, \$84.54 million (\$15 per capita multiplied by the state's population) is available to state issuing authorities, such as the Virginia Education Loan Authority, the Virginia Port Authority, the Small Business Authority, and the Virginia Agricultural Development Authority, and for projects of state or regional interest as the governor may determine.

Second is the local allocation which totals \$428.25 million in 1985. Each city and county may receive an allocation of \$75 per capita or \$1 million, whichever is greater.

However, each city and county must reserve its allocation with the Department of Housing and Community Development by May 15 of each year, and localities which do not send proper notification will lose their annual allocation.

Towns that wish to issue bonds must notify their respective counties of their intent. When such intent is expressed by the town council by March 1, the county must distribute its local allocation to the requesting town based on a pro rata share according to population.

Finally, the remainder of the state monies is designated as "state reserve." In calendar year 1985, this initially amounts to \$332.61 million.

The governing body of each locality is allowed flexibility in issuing private activity bonds, but financing for basic employment projects is encouraged. Each locality may devise its own method to determine what projects will be funded, however, all locally allocated bonds must be issued by Oct. 15 of each year or the allocations will revert to the state reserve. In other words, "use it (by Oct. 15) or lose it!"

The state reserve, which is intended to assist in the economic development of the commonwealth as a whole, will certainly be a focal point for many bond issuing authorities. The governing body of any locality or state issuing authority may request additional bond allocations from the state reserve. The Department of Housing and Community Development, as the allocation administrator, will receive and evaluate these requests four times a year and award additional allocations by approximately March 15, June 1, Sept. 1 and Nov. 1 of each year. None of these allocations can exceed \$10 million per project.

Certain requests for bonds from the state reserve could receive immediate approval and allocation. To qualify for immediate allocation all three of the following criteria must be met: 1. the project to be funded must be a basic employment project, 2. the requesting locality must certify that 90 percent of its local allocation has been used to fund basic employment projects, and 3. the project to be funded must create a minimum of 100 jobs in Virginia.

Most requests for allocations from the state reserve must be evaluated by DHCD utilizing the State Reserve Point System as stipulated in the executive order. During each allocation period, projects will be ranked based on the number of points they are assigned. Bond issuing authority will be granted for the ranked projects until the state reserve for that period is exhausted. Any project not receiving an allocation from the state reserve in any period may reapply in subsequent periods. It is important to note that any bonds allocated from the state reserve must be issued within 90 days, or by Dec. 12 for the last allocation period, or the allocation will automatically revert to the state reserve again.

Through the ranking system each project will be assigned a specified

*— continued next page*



number of points based on certain criteria. The first phase of the system assigns specific points according to the characteristics of the proposed projects. A maximum of 750 points could be awarded according to these criteria:

- **Project Type** - Basic employment projects will receive 300 points. Exempt projects as defined by the executive order are assigned 150 points while supporting employment projects accrue 0 points. (See definitions.)
- **Use of Local Allocation** - When 90 percent or more of a locality's local allocation has been used to fund basic employment projects, requests to the state reserve will receive 200 points. Localities that use 66 percent to 89 percent of their local allocation on basic employment projects obtain 100 points. All other requests are given 0 points.
- **Urban Enterprise Zone** - A project will receive 75 points if it is located within a designated Urban Enterprise Zone.

- **Virginia Certification Program** - If a locality is certified under the Virginia Community Certification Program it will receive 75 points. A community that is enrolled in the Community Certification Program but not yet certified will receive 15 points.
- **Multi-Jurisdictional Support** - If a project is supported by two or more contiguous localities and one or more jurisdictions revert a portion of their local allocation to the state reserve, it will earn 100 points.

In the second phase of the ranking system, five criteria will be evaluated and projects will be ranked relative to the other projects being reviewed during the period. These five criteria could yield a maximum of 1,000 points to a project.

- **Number of Jobs** (maximum of 375 points) - The net number of new jobs created in Virginia will be counted. Jobs resulting from proj-

ects relocating *within* Virginia will not be counted. Where there is a significant threat that existing jobs will be lost to Virginia due to relocation or obsolescence, the preservation of such jobs will be counted as if they were new jobs.

- **Unemployment Rate** (maximum of 225 points) - Unemployment statistics as determined by the Virginia Employment Commission will be used to rank projects for each locality for this criteria.
  - **Wages Per Employee** (maximum 150 points) - This factor will be calculated by dividing the total payroll of the proposed project by the total number of employees to yield wages per employee.
  - **Private Financing** - (maximum 150 points) - This criteria will review the portion of the project which is financed with funds other than tax exempt bonds. Projects having the highest percentage of "other financing" will receive the maximum number of points.
  - **Assessed Value of Real Property** (maximum 100 points) - Scoring for this factor will involve ranking projects according to assessed value of the real property in terms of land and buildings involved in each project. This factor will give special emphasis to projects which entail the largest investment and which in turn will produce the greatest tax revenues for the locality.
- Gov. Robb's executive order presumes that historical patterns will remain true and that bond issues in Virginia will exhaust the commonwealth's legal limit. However, it makes provisions to ensure Virginia uses its full bonding capacity during 1985 and 1986 by ordering that any bond monies which remain in the state reserve after Nov. 14 be awarded to projects in the following priority order:
1. Local government exempt projects (water, sewer or solid waste disposal, or pollution control facility projects), when the locality has committed 10 percent of the project cost or 10 percent of its local allocation, whichever is less, to the project, and projects of any of the state issuing authorities.
  2. Exempt projects of the Virginia Port Authority.
  3. Public utility projects which are exempt.
  4. Private sector projects which are exempt.
  5. All other exempt projects.
  6. Any other projects ranked according to the State Reserve Point System.
  7. Student loan bonds.

## STATE RESERVE POINT SYSTEM

		Maximum Points
1. Project Type		300
Basic Employment	300	
Exempt	150	
Supporting Employment	0	
2. Use of Local Allocation		200
90% or more for Basic Employment Projects	200	
66% to 89% for Basic Employment Projects	100	
Less than 66% for Basic Employment Projects	0	
3. Virginia Community Certification Program		75
Certified Community	75	
Enrolled	15	
4. Location in Urban Enterprise Zone		75
5. Multi-Jurisdictional Project		100
<b>SUBTOTAL</b>		750
6. Number of Jobs Created (Net) or Retained		375
7. Unemployment Rate		225
8. Wages Per Employee		150
9. Percent of Total Project to be Financed with other than Private Activity Bonds		150
10. Assessed Value of Real Property		100
<b>SUBTOTAL</b>		1,000



This allocation system requires several affirmative actions by local governments including notice of intentions to use local allocations and reporting to DHCD within five days of any completed bond issue. These steps are designed to benefit the entire commonwealth. The system guarantees that every local government can issue private activity bonds if it so desires, and that the state will maximize its economic development through the use of its full amount of bonds available each year.

## DEFINITIONS

**Basic Employment Projects** – those facilities that bring new income into Virginia's economy, stimulate additional employment and are the basis for further economic growth. Goods or services which are sold outside the boundaries of an area or are paid for with funds from outside an area are considered "exports." Export industries are considered to be the commonwealth's basic employers. Examples of basic employment projects include manufacturing, mining, regional distribution or warehousing centers, research and development firms, corporate headquarters or regional offices, major tourist facilities, large-scale agricultural or fishing operations, and port-related activities.

**Exempt Projects** – Activities exempt from the \$10 million small-issue limitation which because of private entity tax ownership are subject to the state ceiling. This includes the following:

- sport facilities
- convention or trade show facilities
- airports, docks, wharves, mass commuting facilities, and parking facilities
- sewage and solid waste disposal facilities, facilities for local furnishing of electric energy or gas
- air or water facilities, including pollution control facilities
- certain facilities for the furnishing of water
- qualified mass commuting vehicles
- local district heating and cooling facilities
- industrial parks

**Issued** – Private activity bonds issued within the meaning of Section 103 of the Internal Revenue Code and applicable regulations promulgated thereunder.

**Local Allocation** – That portion of the state ceiling initially allocated to each county, city and town in Virginia.

**Private Activity Bonds** – Obligations issued by the commonwealth and its political subdivisions which constitute

private activity bonds, as defined in Section 103 (n) of the Internal Revenue Code, and which are not exempt from the state ceiling.

**State Allocation** – That portion of the state ceiling allocated to state issuing authorities or projects of state or regional interest as determined by the governor.

**State Ceiling** – The amount of private activity bonds that the commonwealth may issue in 1985 or 1986, as the case may be.

**State Reserve** – That portion of the state ceiling not included in the local allocation or state allocation.

**Supporting Employment Projects** – Those facilities which primarily serve the local economy, such as retail and wholesale trade, contract construction, insurance, real estate, medical and other services.

### About the Author

James D. Campbell is VML's Director of Intergovernmental Affairs and worked with the governor's staff in development of the allocation system.

## Marketplace

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Greenville Utilities Commission, Greenville, NC. Directs total operation of electric, water, sewer and natural gas systems serving 28,500 electric, 13,500 water/sewer and 4,500 gas customers, \$60 million annual budget, 250 employees. All systems expanding. Requires engineering, business or public administration degree and five years municipal or utility management experience. Salary commensurate with exp. Excellent fringe benefits. Send resume and salary history to Louis H. Zincone, Greenville Utilities Commission, P.O. Box 1847, Greenville, NC 27835 by March 1, 1985.

### Correction

Please note the following correction to the **Product & Services Guide** in the December 1984 issue of *Virginia Town & City*. Under **Hazardous Materials Containment & Clean Up Supplies**, the telephone number of Adair Distributing of Chester should read (804) 748-2651.

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# The Season of Budgets

By Julian F. Hirst

The December glittering decorations, colored tree lights and weathered door wreaths have disappeared into storage for yet another year. Across the land of local governments " 'tis the season to be jolly" has changed regrettably to " 'tis the season for budgeting."

Mr. S. Claus, of white beard and red suit fame, has retreated to the isolation and security of the North Pole. There he has no known telephone (even under divestiture) and apparently receives mail only in Novembers and Decembers. He understands, and wisely so, the vast difference between passing out dolls, candy, home computers and skateboards and allocating the gifts of dollars in local budgets.

After each of his renowned December 24th deliveries, Mr. Claus rides rapidly off into the dark of night merrily shouting "Ho Ho Ho!" 'Tis no wonder he stays popular. He doesn't stay around for the aftermath. He holds no public hearings, receives no threatening petitions and doesn't listen to citizen groups pulling at corners of dollar bills. With eyes that twinkle, Mr. Claus distributes his gifts where he wants, gives a whistle to his team and flies out of town.

Locally elected officials dividing the budget among the citizenry can't fly off into the night with "Ho Ho Ho's" resounding. They must hang with the budgeting to the bitter end, and even thereafter.

'Tis not the season to be jolly and budget work offers no glitter or glamour. The duty is a methodical struggle column by column, line by line and sheet by sheet, then back again over and over. We cannot lay our fingers beside our nose, rise up the chimney and be off in a sleigh. The task is here and must be met, item upon endless item.

Once we accept that local budgets, like the taxation which supports them, are inevitable, and we brace to face the season, there may be value in pausing for a moment to think about what underlies the drawing together of budgets. Two thoughts quickly rise to the surface. One is the reminder that a budget has purpose, or purposes. The other flags to our awareness that the preparation pro-

cedure is so center to how government operates and what government means.

Both of these thoughts are worth briefly exploring. After all, our annual budgets are the most important set of papers put together in the course of local government life.

Municipal and county budgets serve two purposes. The first is obvious and comes quickly to mind. An annual budget's initial purpose is to be the exacting accountability through the year ahead of what revenues, source by source, are to be received, and how, line by line and dollar by dollar, those responsible are to expend these revenues.

To the accountant's eyes, these are the cold facts of the business of government. And it is a business, let no one mistake.

The budget is the carved-in-stone prescription of what is to be done, and twelve months from now everyone best be sure the numbers come out right. Periodically through the year and then at the end, actual experience is tested against the budget. This is accountability for the receipt and expenditure of public funds, and from its regal and respected throne, the budget would tell you such to be its purpose.

However, there is a second purpose which the budget and its process can serve. Unfortunately for our citizens, our jurisdictions and for us in the process, the tendency is to become so consumed by the first purpose that we negligently allow the second to go by in default, or near default. We have flexibility either to ignore this purpose or to reach out and exercise it to the fullest advantage. Most often our choice within that range determines the true merit of both the budget and the process by which it is produced.

The budget is, or can be, a planning document. There are thoughtful people who feel this really is the more valuable purpose. This form of planning means searching throughout the public services represented, examining the public programs of the government, studying revenues beyond the formality of the numbers, measuring the skills and abilities of personnel, reviewing human needs, determining capital project aims and much more. Into all of this is blended appraisal of the levels of quantities and qualities both in place and as would be desired. These ingredients combine to be weighed in balance with what are perceived to be the directions and goals of the community and its government.

This constructive mixing and all the

thought that goes into it is planning within the opportunistic environment of the budget process. Such planning serves not just for the one budget year ahead, but offers and encourages the ability to look and project into the seasons and years further beyond.

As all of this is carefully and beneficially kneaded, the budget acquires the purpose of being the key instrument by which the locality realistically projects its future. How we place our money, from the smallest service up to the largest project, tells of our community concerns, guides our emphasis and forms the groundwork for services and projects for the years ahead.

Ideas and goals translated into dollars later emerge as accomplishments. People, called personnel, become positions listed by lines and numbers and then flow out as the essential deliverers of services and activities. Dreams are formed through budgets, while hopes can be dashed when the money won't stretch. But, year by year, budgets with the deeds they make possible build one upon another. Thus a community moves to do better and to do more.

There is no book on the subject of annual budget preparation that prescribes exactly what to do step by step and day by day throughout the procedure. Each locality has its own techniques. The preparation procedure for the town of Wise certainly is different from that of the town of Onancock. Martinsville's procedure varies from that of Fairfax County, and Williamsburg's varies from Harrisonburg's. Such technique and procedural differences are partly attributable to jurisdiction size, partly due to dollar volume, partly a matter of scope of activities and partly guided by local law requirements. Each of these in part determines the flow of the process town by town, city by city and county by county.

Ask anyone associated with any aspect of an annual budget process how the overall document is formed and odds are the first part of their explanation will be the segment or role in which they directly are involved. That is human nature, but it helps also in understanding the many people and forces that contribute to record, equip and influence the product.

So often budget formation is perceived as the task of technicians. Excruciatingly it is, whether it's one page or reams of paper fed from a computer. With some an annual budget is molded in a month or so. With others, the end of preparing for one fiscal year flows unin-



errupted into gearing up for the next.

The range of technicians reaches wide, from the crew foreman or office supervisor who prepares and submits an estimate of unit requirements, to the administrator who finally presents the completed work. As technicians, however, these people should never be regarded, nor regard themselves, as robots shuffling data. To the technicians is an obligation in the second purpose of budgeting. Planning and knowledge of a sensitivity to the county, city or town constantly should guide their budgeting actions.

As the procedure of budget making is appraised in theory and from locality to locality in practice, one quickly realizes that there is a centerpiece in the total process which is highly significant. The centerpiece is the local elected governing body.

Town and city councils and boards of supervisors across the state in the final analysis make the law that makes the budget real and in place. The moment they vote the budget, they have put their imprint on a year of life in the community. If we believe in the planning purpose of financial budgeting, that imprint reaches even further ahead upon years more distant.

The significance of the governing body is not just in the final vote. Far from it. To understand the guidance of the governing body in budget content and procedure one must look far back. For as a board or council meeting by meeting addresses the ongoing business of the government and citizens, it directly and indirectly sets policies and defines goals for the future.

The public is speaking through their elected representatives. Democracy is performing. Those voices form the sensitivity and awareness so critical in molding the dollars of budgets into instruments of objectives and accomplishments.

How the governing body is involved or not involved in the step by step process of the budget document development conspicuously varies from place to place, and again there are no rules or decrees for all. Undoubtedly there are magi of high wisdom who can offer vast advice, but after all is said and done, the key to the process is what works best in each city hall and courthouse.

Three cautionary points are worth noting.

Point one is called "procedural comfort." This is the domain of the governing body. Council and board members must feel satisfaction and assurance in how

the process works. Assurance has to include confidence in the technicians deep in the process.

A council or board may be stretched in all directions on decisions that must be made, and they may agonize those decisions long after the adopting vote and the dust has settled. That kind of political pain is part of life. But, the discomfort should not be in how the budget is formed, its completeness, or the dependability of what is received.

The degree of comfort or discomfort often determines when and where the governing body enters the annual process. It also often defines whether theirs is a trying and time consuming job of details or an opportunity of policies and directions.

Point two concerns consideration by the board or council as to how well and where it best projects its own ideas and ambitions into the budget which blueprints the community's present and future. This influence may accumulate and flow continuously from meeting to meeting, or it may be injected as a part of the actual step by step process. Whatever the course, the final stage arrives when document in hand the people's elected representatives view the total package, receive the public hearings and strive toward the vote of adoption.

The final of the three points concerns accountability. Few among us are without consciousness of the intensity of private and public accountability for monies which has grown in recent years. Giant corporations, small businesses, colleges, hospitals, accounting firms and more, all have experienced the severe tightening of controls on funds. With that has come the assignment of inescapable responsibility for accounting.

Accountability goes beyond simply balancing the bank statement. It addresses the equities of revenue re-

sources and the allocations of those resources. How public dollars are administered and how policies are set and monitored which govern that administration is of paramount regard.

In its relationship to the budgeting process and in its decisions on a budget for enactment, the governing body, representing the public and as the centerpiece of the procedure, has to become assured that full and accurate accountability is being met on the bottom line. That is their responsibility.

In my opinion, Virginia's local governments have performed well in budget making over the many years of representing and serving their publics. Through good times and bad times, the acceptance of this obligation year by year has been a key to the fiscal soundness of the counties, cities and towns, a factor of shared pride.

We have strayed far from St. Nick who shakes like a bowl full of jelly when he laughs. His is the pleasure of escape, ours the rigor of reality, with very little laughter. The receipt and delivery of the public dollar is a matter of complexity and consequence; the season of budgeting is one of perplexity and pathos as the search goes on among the revenue projections for tidings of joy. Even if happy tidings are not found in the maze of numbers, nevertheless challenge and real opportunity exist to create through the instruments of budgets the planning for the future. Having performed in a fiscally responsible manner and having infused and charged the budget with policies of direction and vision, we give our communities the best of gifts.

#### About the Author

Julian F. Hirst is well known in Virginia local government. He has served as manager in Pearisburg, Pulaski, Martinsville and Roanoke, VA. In addition, he served as VML's executive director from 1973 to 1975. Currently, he is city manager in Norfolk, VA.



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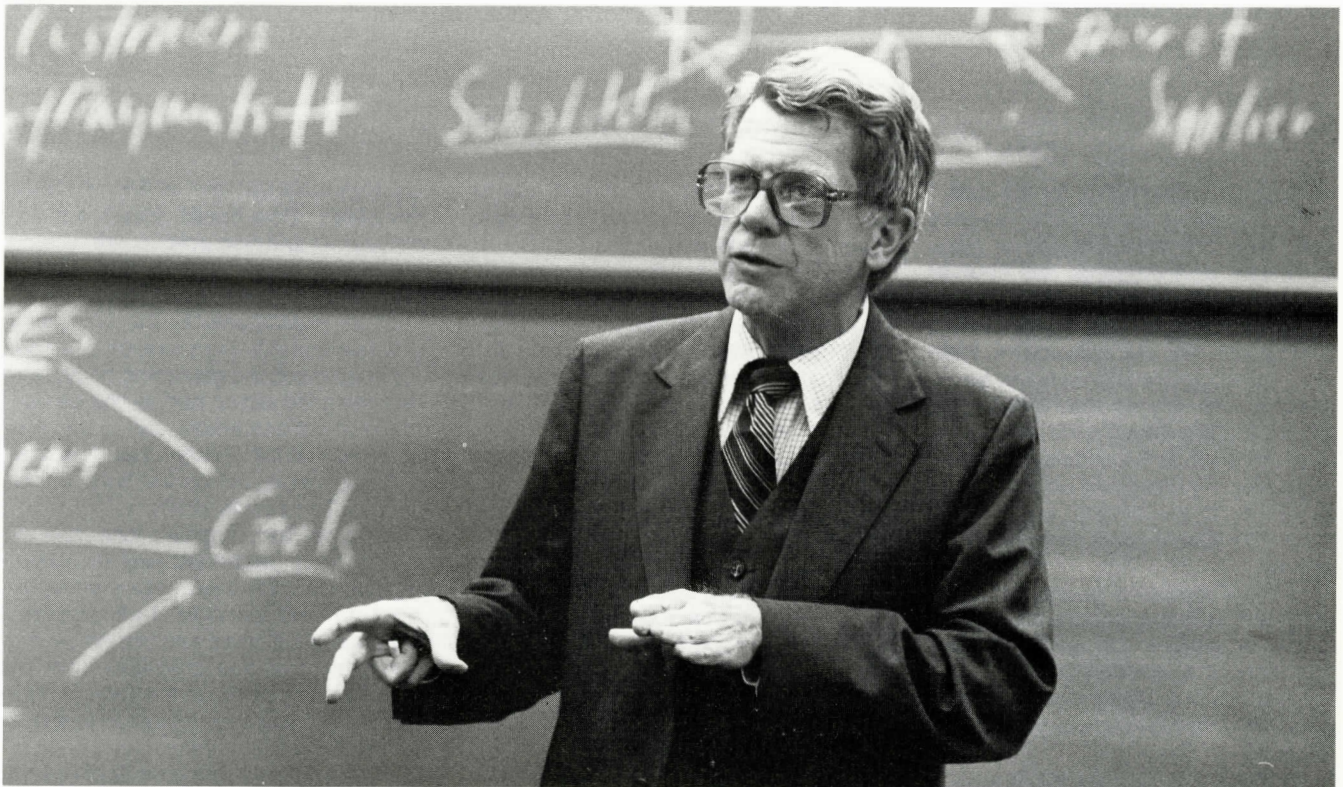
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*Jim Dunstan, who has many years experience in teaching executive development programs, will focus on business and government relations and managing the media at the Senior Executive Institute. His career has included work in the business community as well as the public sector and the political arena.*

## Managing Change or The Art of Chinese Baseball

Managing in today's environment is similar to playing Chinese baseball. Chinese baseball, I'm told, is almost exactly like its American counterpart. Three strikes you're out, nine innings of play, nine to a side and so on. The one difference occurs when ball meets bat. Once the ball is in play, the fielders can move the bases anywhere they want, presenting some pretty interesting and confusing choices for the batter!<sup>1</sup>

The parallel to managing should be clear. The "bases" in our current environment are constantly changing. As the rules of the game change, it becomes difficult for public officials to know which way to run. Issues such as limits of public liability, comparable worth in compensation and relative merits of contracting out services present important but unclear choices. Recent management trends such as pay for performance, quality circles and strategic planning are appealing on the surface, but their effectiveness isn't yet clear. Many managers find it difficult to keep up, yet the need is to do more than "keep up." Public managers must look ahead and identify future issues and

opportunities, and that requires new management skills and roles.

The University of Virginia's Institute of Government is offering a new executive development program to help senior local government administrators improve their ability to deal with current and future challenges. Entitled "Senior Executive Institute: Leadership for Today and Tomorrow," the program will run from July 21, 1985 through August 2, 1985 and take place in the university's law school facilities with food and lodging on site. Its overall purpose is to help managers analyze issues and trends and to enhance their abilities to lead in today's changing environment. Open to experienced local government managers from around the country, it promises to be exciting, unusual and challenging.

### What Makes SEI Different?

There are, of course, many executive development programs in existence today. What makes this one different? First, it is being designed with input from the managers it will serve. Senior Executive Institute staff have talked with dozens of local government managers

during the past two years, and an advisory committee of 11 current or former managers is helping design the program. This environment guarantees practical and timely topics.

Second, among the faculty and participants will be individuals with private sector experience. This mix will create an exciting climate not found in most executive programs. Public managers will be able to test their ideas with those on the private side, and each should gain a greater appreciation for how the other thinks and manages.

Third, the program will offer many different learning activities, from case studies and lecture/discussions to small group problem-solving exercises and panel discussions. In addition, each participant will receive structured feedback on his or her managerial strengths and needs. Thus, SEI will help managers assess themselves and set their own goals for future growth.

### Who is On the Faculty?

One of SEI's greatest strengths is the quality of its faculty. Two criteria were used in selecting instructors for the pro-

—continued on page 17



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## Managing

from page 14 -

gram: demonstrated excellence in the classroom and knowledge of public sector issues. Some of this year's faculty will include Wayne Anderson, distinguished professor of public administration at George Mason University, a city manager for two decades, secretary of administration and finance for Virginia and executive director of the U.S. Advisory Commission on Intergovernmental Relations; Ray Haas, vice president for administration at the University of Virginia, former president of the West Virginia League of Municipalities and a professor of business administration at West Virginia University; Bob Matson, dean of the Federal Executive Institute; Chong Pak, professor of public administration at Virginia Commonwealth University, director of the Virginia Executive Institute and frequent consultant to local governments; Jim Dunstan, professor of business administration at the University of Virginia Darden School and former director of public utilities for the Virginia State Corporation Commission; Jack Edwards, professor of government at the College of William and Mary, member and past chairman of the James City County Board of Supervisors and member of the Virginia Municipal League Executive Committee; and Dick Howard, professor of law at the

University of Virginia, counselor to Gov. Robb and expert on state and U.S. constitutions.

### What is the Actual Program?

The program will be fast paced and challenging. Three formal sessions will take place each day, with ample time for study, informal discussions with visiting executives and exercise. Participants will form "executive study teams" to analyze cases and exchange ideas. Assessments of managerial style and health habits will provide useful feedback. A health hazard appraisal and optional physical fitness program are some of the special features.

Actual topics to be addressed at SEI include motivating employees and involving citizens; managing an increasingly well-educated workforce; adapting advanced technology to the workplace; dealing with multiple constituencies; keeping up with changes in legal, management and financial areas; working effectively with governing boards and working with other governments, businesses and the media. In addition, optional sessions will cover career assessment, entrepreneurship and team building.

### Benefits to Governing Boards

The time and money invested in attending SEI will not be small, and elected officials will want to know how

the program will benefit them as well as their communities. The most obvious answer is that managers who attend the program will be better executives and more effective leaders. They will learn from faculty and other successful managers. Information exchanges that take place at such programs are always one of the most valued aspects.

Participating managers will bring back to their communities useful information from private-sector managers and faculty. In an era emphasizing economic development and contracting out for services, it is imperative for public managers to understand business people and to develop ways of working effectively with them.

Most important for governing boards, SEI will help managers improve their ability to work with elected officials. Many managers comment that their college training helped them learn the technical aspects of their work but failed to adequately prepare them to deal with the political nature of public management. At SEI, this critical area will be central to the entire program. In an environment as demanding and turbulent as is today's the relationship between managers and elected officials is especially important. Without working well together, neither can hope to keep up with all those changing bases.

<sup>1</sup>For more on the challenge of managing when the rules of the game continually change, see "Management and the Art of Chinese Baseball," by Ralph G. H. Sui, in the *Sloan Management Review*, Spring 1978.

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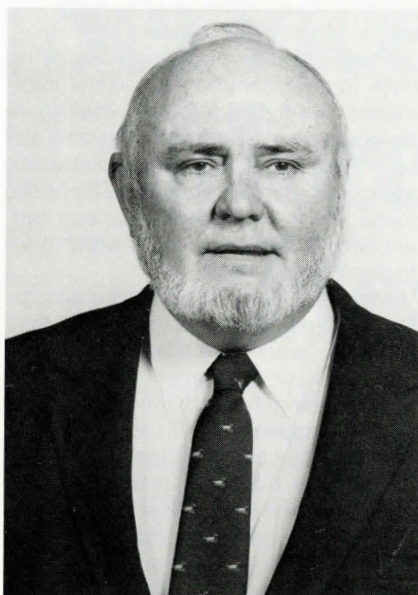
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# People



## Bentley Takes Front Royal Post

**Brackenridge H. Bentley**, who served as town manager of Vienna for the past seven years, has assumed the manager's position in Front Royal.

Bentley holds a bachelor's degree from the University of Nebraska at Omaha and a master's of public administration from Roosevelt University in Chicago. In addition, he has completed the majority of requirements for a doctorate in public administration from Nova University in Fort Lauderdale, FL.

Prior to his position in Vienna, Bentley served as village manager of Streamwood, IL, for three years and as village manager and superintendent of public works in Fox River Grove, IL, for two years.

## Fairfax County Chief Retires

Fairfax County Chief of Police **Col. Carroll D. Buracker** retired this month at the age of 42 to establish a management consulting firm in law enforcement and security.

Buracker has more than 20 years of law enforcement experience and has served as Fairfax County's chief of police since 1981. He was first employed by the county police department in 1966. During his tenure, Buracker served in numerous capacities including as an officer in the patrol division and in the detective division, as supervisor of

central records and data processing, as commander of the Staff Services Division, and as assistant chief, deputy chief and acting chief. He has also lectured at law enforcement agencies in more than 20 states and had numerous law enforcement articles published.

## Jaycees Honor Town Employees

Three employees of the town of Vienna, **Steven W. Faett**, **Glenn M. Cornell** and **John King**, have received Vienna Jaycees' 1984 Outstanding Young Citizens of the Year awards for contributions to the community.

Faett is a dispatcher in the Vienna Police Department. He was one of the original members of the police department's Explorer Post, and he now serves as the Explorers' advisor and assists in their training.

Cornell has worked in the Parks Maintenance Division for more than four years. He is an active member of the Virginia Parks and Recreation Society and a representative on the Life Be In It Committee which promotes recreation throughout Northern Virginia.

King has worked in the Sanitation Department for more than five years. He has shared his enthusiasm for sports by coaching basketball and girls' softball in the Vienna area.

## NVTC Taps Davis, Snyder

**Thomas M. Davis III**, Fairfax County board member, has been appointed chairman of the Northern Virginia Transportation Commission, and **George T. Snyder Jr.**, city of Fairfax mayor, has been appointed secretary-treasurer. The commission is a regional authority established to coordinate transportation issues in Arlington and Fairfax counties and the cities of Alexandria, Falls Church and Fairfax.

**Send your "people news" to Virginia Town & City, P.O. Box 753, Richmond, VA 23206.**

## Former Ashland Mayor Dies

**James Enos Ray**, a former mayor of Ashland and local lawyer, died at home at the age of 71 in November.

A native of Ashland, Ray was elected mayor in 1945 and served until 1960. He had also served as attorney for Hanover County from 1952 until 1969.

Ray was a graduate of Randolph-Macon College and earned his law degree from the University of Virginia. He served on the Ashland Town Council from 1938 until 1940 when he entered the Army.

## New Member Joins Beach Team

Virginia Beach has added a new member to its convention promotion team. She's cute, doesn't eat much and extremely huggable. According to Hugh C. Barton, manager of the Virginia Beach Convention Bureau, everyone thinks she's adorable.

She's **Ginny Beach**, a "water baby" made of vinyl and filled with about two quarts of water.

Ginny has already attended the Greater Washington Society of Association Executives' "Springtime in the Park," and Ginny and her brother, Sandy Beach, attended Meeting World '84.

Water babies will attend future trade shows, where some lucky meeting planners will become foster parents. Also, each water baby, according to the designer, is said to have a "little secret" which makes it unique.

## Crewe Chooses New Manager

**Dennis Sizemore**, a 29-year old native of North Carolina, has been named manager of Crewe.

Sizemore has lived in Crewe for the past two years. He is a graduate of Appalachian State University in Boone, NC, and holds a degree in biochemistry.

**V. C. Bozman** was serving as acting town manager.



# Legal Guidelines

By Howard W. Dobbins,  
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## Sovereign Immunity: Alive in Virginia

The doctrine of sovereign immunity, originally based on the ancient English concept that the king could do no wrong, has lately come under repeated attacks in this country and even totally abolished in some states. Virginia, however, has endeavored to retain it although our Supreme Court has been struggling to reconcile the often conflicting objectives of protecting government and governmental officials from vexatious litigation while providing relief for the public from individual injury caused by tortious conduct of government employees.

Traditionally in Virginia immunity has been afforded for actions taken pursuant to "governmental duties" and liability has been imposed in cases of "proprietary functions," a distinction which has been controversial and perplexing to lawyers and judges alike. Not until the 1980 decision of *Freeman v. Norfolk*, 221 Va. 57, 266 S.E. 2d 885, were those two opposing functions clearly defined. If a governmental body assumes a role which can be and frequently is occupied by a private person, its acts in pursuance thereof are considered proprietary in nature and not protected. If its actions stem from activities which are in the performance of a duty imposed by statute and not normally undertaken by private persons, those actions are governmental and therefore privileged. This pronouncement appears to present an understandable blueprint for determining when sovereign immunity is available to a government.

So much for government itself, but how is this principle applied to governmental officials who act for their governments? This area of Virginia law has become more and more complex and ill-defined. In a 1960 case a local school board was held to be an arm of the commonwealth and therefore its acts immune from liability for negligence, but in 1968 our court held a teacher employed by the county school board liable to a pupil injured while using a power tool. In a 1980 decision, long-time members of a hospital medical faculty were subjected to liability for their negligent acts because they exercised complete discretion in their work. Only two years later, in 1982, the court held a school superintendent and principal immune from liability because of the supervisory and discretionary nature of their work. Little wonder that this confusion spawned litigation and gave rise

to the oft-repeated complaint by governmental officials that the doctrine of sovereign immunity in Virginia was severely ill, perhaps mortally.

With our law in this muddle, the cases of *Messina v. Burden* and *Armstrong v. Johnson*, Va., 321 S.E. 2d 657, were heard by the Virginia Supreme Court and were decided in a joint opinion issued Oct. 12, 1984.

In *Messina*, the plaintiff, an actor in a play being performed at a community college theater, tripped and fell. The defendant, Burden, was superintendent of buildings for the college and acting within the scope of his employment; it was his duty to maintain and supervise maintenance of the college buildings. Messina's amended complaint did not allege that Burden was acting within the scope of his employment or that he had supervisory responsibilities. Burden's plea of sovereign immunity was sustained by the trial court.

The other plaintiff, Armstrong, was injured when he stepped on a defective manhole cover in an Arlington County street. He sued Johnson, chief of the operations division of the county's department of public works. Johnson's administration of a number of sections of that department involved his application of engineering knowledge and skills. Furthermore, Johnson had wide latitude in exercising independent judgement, subject only to administrative review by the county's director of public transportation. Johnson's plea of immunity was also sustained by the trial court on the basis that the county was an integral part of the commonwealth and further that he acted as an "executive officer."

The two cases brought into focus two vital questions: first, whether sovereign immunity applies to local governments and their officials with the same force as it does to the commonwealth itself; and, second, to what extent employees of exempt employers are liable for their own acts of negligence in light of former Virginia decisions.

The majority opinion written by Justice Thomas, the newest justice on the court, will perhaps give students of our court system some insight into Justice Thomas' judicial philosophy and ability. The opinion demonstrates a sincere effort to clear the air on the subject of sovereign immunity. In his words, despite contrary suggestions "the doctrine of sovereign immunity is alive and well in Virginia" and has never been abolished

by the court or diminished by the General Assembly. Citing hornbook reasons for the necessity of retaining the doctrine, the majority (a substantial 5 to 2), first stated unequivocally that because the state can act only through its officials and employees, the employees are, therefore, entitled to immunity providing they act within the scope of authority at the time of doing or failing to do the act complained of. Second, the opinion holds that local governments and agencies and their employees must be availed of the same immunity as that afforded to the commonwealth and high officials thereof. Third, when acting within the scope of authority, an employee performing a governmental function for the employer is exempt for his or her own negligence in the performance of those duties whether or not those duties included supervision and so-called "executive duties."

The separate concurring opinion of Justice Poff which expresses his own independent views should be particularly encouraging to officials of local government. Justice Poff wrote that he would extend the doctrine to the commonwealth, counties, cities and towns, and to all departments, agencies and other public bodies created by any level of government as well as to chief executive officers and legislators at every level, all judicial officers, and all other employees of every level of government. He added that all lawful creations of government should be immune from liability from damages arising out of unintentional torts committed in the performance of a judgmental or discretionary duty within the scope of employment without regard to whether the misfeasance or nonfeasance is simple or gross.

Yes, Virginia, there is a sovereign immunity doctrine. The recent cases of *Messina* and *Johnson* demonstrate a sympathy by the majority of our court for its retention and even for some expansion of the doctrine. We should take comfort from this judicial expression because local government needs protection from vexatious litigation and capable citizens need to be encouraged to serve at all levels of government. *Messina* and *Johnson* are good medicine for the cautious citizen who is reluctant to expose himself to litigation for potential bad judgment or, in some instances, even after the exercise of good judgment.



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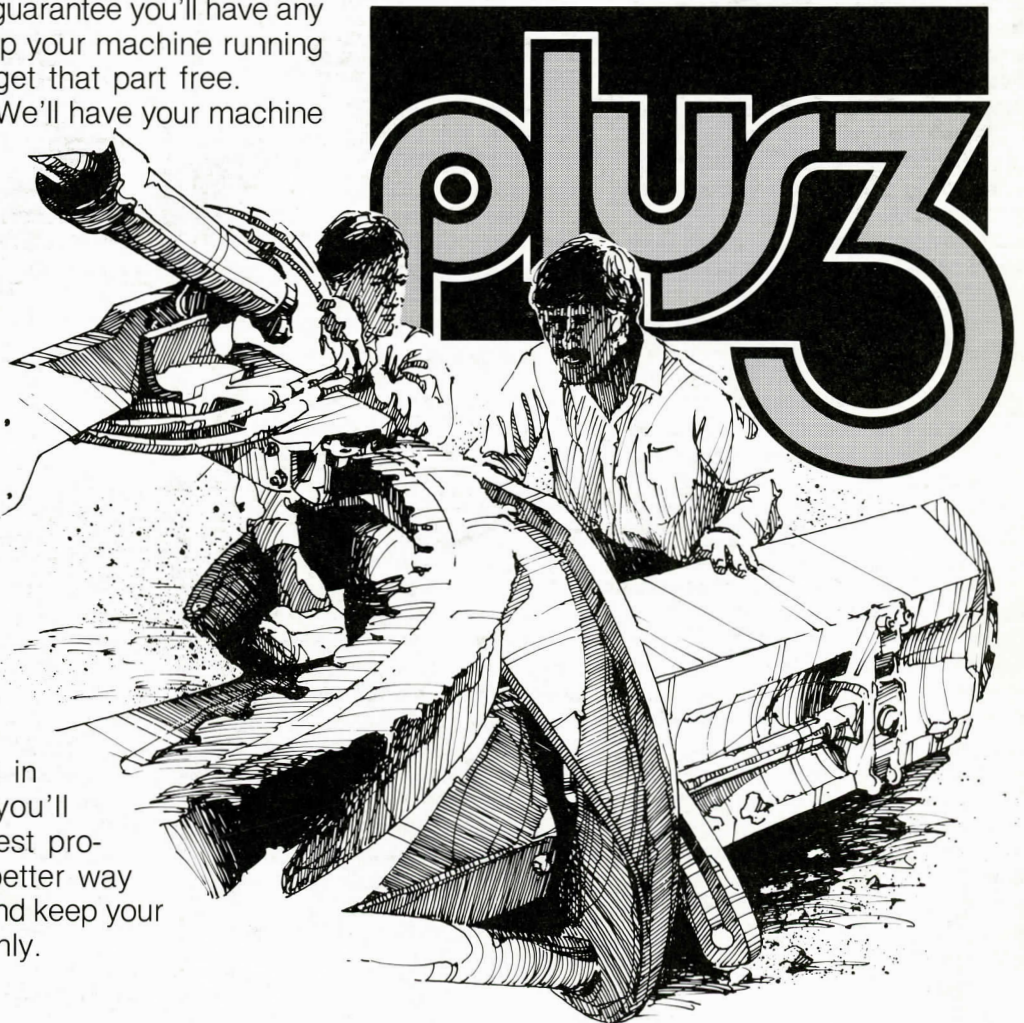
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