

MARTINSVILLE CITY COUNCIL AGENDA
August 28, 2012

ADDENDUM

1. [Consider adoption of resolution regarding elimination of the aid to localities reduction.](#) (5 mins.)

Meeting Date: August 28, 2012

Item No: Addendum

Department: City Manager

Issue: Consider adoption of resolution regarding elimination of the aid to localities reduction.

Issue: VML urges members to petition the governor and legislature to end “local aid to the commonwealth”. After three consecutive years of state budget surpluses, it is time for the state to quit forcing local governments to shoulder so many of its responsibilities.

A draft letter and draft resolution follow that elected officials and chief administrative officers can use to build the momentum needed to abolish local aid to the commonwealth.

VML asks its members to send their own documents to Gov. Bob McDonnell and their General Assembly delegation. VML pointed out it is important to act and to act soon before state leaders obligate the undesignated portion of the budget surplus.

Attachments: [Resolution](#)
[Draft letter](#)

Recommendations: Motion to adopt resolution and authorize staff to send to governor and state officials.



RESOLUTION

Whereas, state financial assistance for mandated and high priority programs, including public education, health and human services, public safety and constitutional officers, was \$800 million less in FY12 than in FY09 and almost \$500 million less in FY13 than in FY09; and

Whereas, cities and counties must balance their budgets during a time in which future state assistance is unreliable, federal stimulus dollars are depleted, and real estate assessments are either stagnant or in decline; and

Whereas, the Appropriation Act contains \$50 million in across-the-board cuts to cities and counties for FY13 and \$45 million in FY14, under which localities are required to either elect to take reductions in particular state aid programs, or to send the State a check for the amounts determined by the Department of Planning and Budget (“Local Aid to the Commonwealth”); and

Whereas, the reductions are applied to essential services, including law enforcement, jail administration, foster care and child protection services, election administration and social services; and

Whereas, the City of Martinsville does not have the authority to unilaterally decide to discontinue providing services such as election administration or to refuse to house and care for state prisoners in local and regional jails; and

Whereas, the state budget cuts are not accompanied by any reductions in state-imposed mandates, standards and service requirements, nor do they provide any administrative flexibility for local agencies; and

Whereas, the City of Martinsville remitted \$204,676 in FY12 and will be required to remit another \$170,902 in FY13; and

Whereas, cities and counties will have provided the state with \$270 million by the close of FY13 for this “Local Aid to the Commonwealth” program; and

Whereas, these reductions shift state costs to local taxpayers and artificially increases the amount of state surplus revenue; and

Whereas, state revenues have continued to recover and the state has experienced a budget surplus for the third consecutive year; and

Whereas, revenue collections for the City of Martinsville continue to reflect the struggling housing market; and

Whereas, the state should not shift its share of the costs for mandates and responsibilities to local governments; now, therefore, be it

Resolved, that the City Council of Martinsville asks Governor Bob McDonnell to submit a budget amendment to the 2013 session of the General Assembly to reverse the \$50 million-a-year reduction for the current year, FY13, and to eliminate the aid to localities reduction in FY14; **and further, be it**

Resolved, that the members of the General Assembly support a budget amendment to the 2013 session of the General Assembly to reverse the \$50 million-a-year reduction for the current year, FY13, and to eliminate the aid to localities reduction in the budget for FY14

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Kim Adkins, Mayor

Attest: _____
Clerk of Council

August 28, 2012
Date Adopted



August 28, 2012

Honorable Robert F. McDonnell
Governor
Commonwealth of Virginia
P. O. Box 1475
Richmond, VA 23218

Dear Governor McDonnell:

Enclosed you will find a resolution from the City Council of the City of Martinsville indicating our concern over the \$50 million reduction in financial assistance to localities for certain state-mandated and state-high priority services. Our elected officials request that you submit a budget amendment in the next legislative session to restore the cut in FY13 and to eliminate it altogether in FY14.

We recognize that state revenues dropped during the Great Recession and that the financial belt had to be tightened. But while the state has enjoyed budget surpluses in each of the last three fiscal years, we have coped with weak real estate revenues that have forced spending reductions and cutbacks in services.

I might add that I am not aware of even one mandate for the state-mandated and state-high priority services identified in the *aid to local governments reversion program* that has been modified or eliminated by the state. Now that another state budget surplus has been achieved, we request that you keep localities in mind and put an end to this practice.

Thank you so much for your consideration of this matter.

Sincerely,

Kim Adkins
Mayor

Cc: Senator Bill Stanley
Delegate Danny Marshall
Delegate Don Merricks