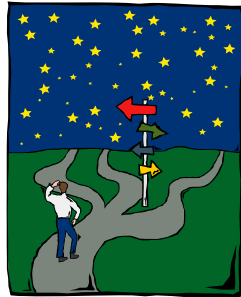


ROCKINGHAM COUNTY
BOARD OF SUPERVISORS
Strategic Update Session



May 6-7, 2008
James Madison University Festival Center

ROCKINGHAM COUNTY BOARD OF SUPERVISORS STRATEGIC UPDATE
JAMES MADISON UNIVERSITY FESTIVAL CENTER
MAY 6-7, 2008

OUR VISION, BY THE YEAR 2020

Rockingham County will become an even better place to live, work and recreate by -

retaining the essential historic attributes that make it a great place,

protecting the natural environmental resources,

retaining the beauty of the farmland and mountains and the harmonious relationship between agricultural and residential land uses,

maintaining its balanced and vibrant economy and its diverse yet harmonious society with many different cultures, and

allowing for healthy, managed growth while protecting and capitalizing on the assets which have encouraged people to come here in the first place.

PURPOSE OF UPDATE SESSION

To review the strategic issues identified in 2005 and project the challenges and opportunities expected in the next 3 to 5 years to assist the Board in setting priorities and direction for the County

STRATEGIC CONCERNS

What were the strategic issues identified in 2005?

- GROWTH – How far do we go? What is the acceptable level of growth? How do we want to direct it?
- PUBLIC SAFETY – As the population “grays,” what do we want to do about our volunteer situation? What role do we want volunteers to play? How do we supplement them to meet public safety needs? Do we need to become more proactive?
- TAXATION – How do we find the revenues to pay for the services we provide?
- TRANSPORTATION – How do we fund services to meet needs over the long term? What is the right amount of infrastructure? Where should it go? How much do we pay?
- ILLEGAL IMMIGRATION – How do we manage the issues related to this?
- AGRICULTURE – How far do we go in preserving it? How do we handle the demands of the Chesapeake Bay Act?
- WATER/SEWER – Is our water supply adequate? Do we have adequate infrastructure?

- EDUCATIONAL SYSTEM – How do we handle the mandates from Federal and State government? How do we continue to have a good working relationship with the School Board?
- SOCIAL SERVICES – How far do we go [with taxation] to provide services not paid for by Federal and State government? Can we be more proactive? Do we need to change paradigms?
- ECONOMIC DEVELOPMENT – How do we address underemployment and find employers who pay good competitive wages and benefits? How do we support our existing businesses? How do we create public/private partnerships and ensure good cooperation with the City, towns, and neighboring counties on economic development efforts?
- COUNTY ADMINISTRATION NEEDS – What are our needs today? What will our needs be 5-10 years from now? What will our citizens require? Where are we going to find good employees?
- GENERAL QUALITY OF LIFE – How do we preserve our quality of life and how it changes as new people come into the County? How willing are we to change our business approach?
- MANAGING FEDERAL/STATE REQUIREMENTS – How do we deal with the impact of requirements?

STRATEGIC CONCERNS

Which of these strategic issues have been addressed or are in the process of being addressed?

- GROWTH – How far do we go? What is the acceptable level of growth? How do we want to direct it?
 - The Board has directed a greater percentage of development to those areas that have water and sewer with 72% in that area in 2005, 74% in 2006 and 78% in 2008.
 - The number of home sales declined with the reduced economic activity, falling from 1,159 in 2005 to 409 in 2007.
 - The area just east of the City has experienced the vast majority of the new housing growth since 2005, with the Broadway/Timberville area a distant second.
 - Rising cost of residentially-zoned land has increased pressure for development or subdivisions in agriculturally-zoned land and rural areas.
 - Approximately 2,000 lots or developable parcels in A2 and RR1 zoned areas
 - Less than 200 vacant lots exist in R1 zoned areas
 - Approximately 1,100 lots with existing homes on market in April 2008 (City and County)
- PUBLIC SAFETY – As the population “grays,” what do we want to do about our volunteer situation? What role do we want volunteers to play? How do we supplement them to meet public safety needs? Do we need to become more proactive? These issues remain at the forefront of the challenges that face the County.
 - Concern for the decreasing number of volunteers has led to greater dependence on County-employed fire & rescue responders.
 - Current staffing level is 65 in Fire & Rescue, with 3 approved for July 1, 2008 and 3 proposed for January 1, 2009.
 - Recent response problems during evenings and weekends in the Grottoes Rescue Squad response area.
 - Increased turnover led to restructuring of compensation levels for fire & rescue responders employed by the County.

- TAXATION – How do we find the revenues to pay for the services we provide?
 - Not addressed specifically in work session, approved two cent increase in real estate tax rate to meet debt service requirements for school facility construction program. Also approved request to Circuit Court for meals tax. Referendum to be on ballot for November 2008.

- TRANSPORTATION – How do we fund services to meet needs over the long term? What is the right amount of infrastructure? Where should it go? How much do we pay?
 - Infrastructure needs are becoming critical in the County with several major improvements necessary to primary roads (Port Republic Road, SE Connector, South Valley Pike, Bridgewater Bypass, Mayland Road, East Side Highway and Interstate 81)
 - State is requiring more financial obligation of the County and developers – significant impact on cost of development (raises residential lot cost – see above).
 - New state standards – traffic impact analysis (TIA) and secondary road standards will lead to higher cost to develop property and significantly longer lead times for approval.
 - TIA is State's attempt to shift burden for transportation infrastructure improvements from the Commonwealth to the developer.

- ILLEGAL IMMIGRATION – How do we manage the issues related to this?
 - Increased demand for services in County operations (greater impact in social services, community services board, health department, law enforcement, education to date).
 - Demand for increased diversity in County workforce to improve ability to deliver services to immigrant population.

- AGRICULTURE – How far do we go in preserving it? How do we handle the demands of the Chesapeake Bay Act?
 - Presentations have been presented to the County on purchase of development rights (PDA), transfer of development rights (TDA) and other tools to protect agriculture. Cost and funding are factors in implementing these tools.
 - Interest in developing ordinances that will direct residential development away from agriculturally-zoned land.
 - Cooperative arrangements with the City and Towns are important to meet Bay regulations on wastewater development.

- WATER/SEWER – Is our water supply adequate? Do we have adequate infrastructure?
 - Study underway to determine best approach to develop adequate water supply for County-City area. Joint study with the City. Plan is necessary for supply and treatment to meet 2020 needs.
 - Harrisonburg Rockingham Regional Sewer Authority expansion from 16MGD to 22 MGD will provide sewer capacity for the areas adjacent to the City, Lakeplex, McGaheysville, Penn Laird, Belmont, and North Valley Pike development areas.
 - Towns relied upon to serve local town environs.

- EDUCATIONAL SYSTEM – How do we handle the mandates from Federal and State government? How do we continue to have a good working relationship with the School Board?
 - School Superintendent and executive staff attended workshop. Identified major capital issues for next 3 to 6 years. Recent building plan has added capacity to system which will meet major

capacity needs for the next 5 to 10 years. Teacher recruitment remains a high priority. Maintaining and upgrading technology level in schools is high priority. Need to continue to work with community to meet federal mandates for education of special needs students (special education).

- SOCIAL SERVICES – How far do we go [with taxation] to provide services not paid for by Federal and State government? Can we be more proactive? Do we need to change paradigms?
 - Impact of lack of state funding for administration of programs has led to 50% increase in the local cost to operate, while state funding has been flat.
 - State has funded the increase in direct program cost. Number of participants has risen steadily over the past three years, and the impact of immigrant population on service delivery has increased.
 - Significant impact from change in emphasis for service delivery to mandated at-risk youth (Comprehensive Services Act (CSA)) – less state funding for residential facility treatment and increased state funding for community based services. Need change in local philosophy to emphasize the importance of keeping a child in a family centered environment.
 - Critical space needs for Social Services District and Community Services Board needs to be addressed in the next 12 months.
 - Impact of reduction of Medicaid funding will change service delivery options for CSB (estimated \$600,000 loss)

- ECONOMIC DEVELOPMENT – How do we address underemployment and find employers who pay good competitive wages and benefits? How do we support our existing businesses? How do we create public/private partnerships and ensure cooperation with the City, towns, and neighboring counties on economic development efforts?
 - Continued emphasis on diversification of economic base. Last three years established tech zone for Dynamic Aviation, attracted SRI International to the Rockingham Center for Research & Technology, expanded grain storage capacity for Virginia Poultry Growers Cooperative. Projects that are completed or have been announced include White Wave, Coors, RR Donnelley, Wal-Mart Distribution, and Merck. These expansions have a positive impact on diversification of tax base.
 - Continued support of Massanutten Technical School – new fire & rescue program, expanded vet tech program, strengthen nursing/med tech programs.
 - Continued funding and emphasis and funding for technology in school system.
 - Meet annually with plant managers to determine strategic facility plans.

- COUNTY ADMINISTRATION NEEDS – What are our needs today? What will our needs be 5-10 years from now? What will our citizens require? Where are we going to find good employees?
 - Expansion to County Administration Center is underway, with completion in August.
 - Jail expansion to begin planning/design phase in 12 to 18 months.
 - Human Services Building planning/design phase to begin within 12 months.
 - Increase in the number facilities maintained is straining ability of current staff.
 - Human Resources -
 - Succession management planning will be important with a significant number of management staff eligible for retirement in the next 3 to 7 years.
 - Continue to address issues related to rising health care costs.
 - Increase diversity in County workforce to meet diversity in community.

- Continue annual review of compensation against local and government markets to maintain competitive pay package.
- GENERAL QUALITY OF LIFE – How do we preserve our quality of life and how it changes as new people come into the County? How willing are we to change our business approach?
 - Important to continue to monitor the vision adopted with the comprehensive plan to ensure that zoning approvals and program delivery foster sustaining Rockingham’s quality of life.
- MANAGING FEDERAL/STATE REQUIREMENTS – How do we deal with the impact of requirements?
 - Increasing debt service will limit the amount of funds available to the Board and further stress the financial capacity to meet these requirements, especially over the next 3 fiscal years.
 - Reduction in capital reserves over the next several years to complete on-going projects, and to address the planned capital improvements (jail, human services, courts, roads, and school improvements).
- OTHER ISSUES NOT FROM PREVIOUS SESSION –
 - Landfill – study underway to identify future disposal area. Phase recently completed will provide up to 12 years capacity.
 - Environmental issues at landfill remain a high priority.
 - Large increase in the number of youth in recreation & athletic programs is stressing existing staff levels and the availability of current facilities. Recently added third athletic technician; however, will need to address recreation programs in next several years.
 - Courts –
 - Increase in number of support staff in court-related offices (Commonwealth’s Attorney, Juvenile Court and Probation, District Court) is stressing facilities.
 - Increased diversity in community is impacting court operations
 - Judges identified a future need for court room on second floor for Juvenile Court
 - County Court House records management needs to be improved.
 - Emergency Communications Center
 - 800 MHz system to be operational in Fall 2008
 - Data integration of center with County and City GIS data bases
 - Demand will increase for mobile data by responders
 - Lack of trained available workforce



STRENGTHS

- Healthy financial condition
- Good economic balance between agriculture and commercial development
- Huge incubator in JMU
- Strong educational system
- Desirable area – scenic, education, climate, location appeals to broad group
- High level of performance from staff; getting a lot done with reasonable resources

- Good working relationship with City Council and staff, and 7 Towns
- Center for Research and Technology strengthens position to attract research, biotech and related private sector investment
- Highly productive workforce; citizens help us attract business expansions
- Meeting public school accreditation standards
- Capacity with school expansion program will provide flexibility to move students from district to district to meet growth
- Running a high end cost effective school system
- Good communication with the School Board, Superintendent and staff
- County facilities have been recently renovated or are under expansion and require less maintenance
- Have land for the landfill expansion
- Reinvestment and expansion by existing local companies



CHALLENGES

- Future financial projections; disparity between the growth of revenues and expenditures
- Make sure we maintain an adequate reserve to ensure our healthy financial condition
- The coordination of growth between the County and the towns
- Management of growth – the balancing act; dealing with conflict between the agriculture community and development, and determining how much control we want
- Keeping up with demands on utility systems (water, sewer, landfill)
- Mandates from the Federal and State governments
- Immigration issues, including education, and the cost of social programs
- Immigrant population estimates are often inaccurate which results in federal & state reimbursements being lower than allowable
- Affordable housing; lack of residential development lots (200) is increasing cost per lot and placing pressure on lot development in rural areas
- Increasing calls for fire and EMS service
- Increasing ethnicity of the County population; communication issues for responders
- Strain on fund raising for Fire and EMS volunteers
- Lack of control of zoning in the towns and incentive for Town to rezone for increased revenue base
- Inadequate funding from the State for education; the State is not adequately funding the Standards of Quality and we have had to fund more locally
- “No Child Left Behind”
- Competition for our employees – need to maintain competitive level of compensation
- School system has issues with diversity; English as a second language
- Ensuring that we have adequate operational and maintenance staff; deciding what to do in-house and what to contract out

- Need to strengthen education of maintenance personnel as a result of the increasing complexity of equipment
- Decide how far we want to go in providing recreation services and how much taxpayers are willing or should be required to pay; have to decide whether you pay for it with general taxes or fees
- Getting corporate partners to help meet recreation needs
- Recreation facilities have reached a point of maximum usage; have to deal with equity issues; may have to acknowledge that the population has changed; people expect more and may be willing to pay more



OPPORTUNITIES

- Promote creative, innovative and cooperative efforts with other localities to address with fire/EMS service demands such as a joint fire training academy and response centers
- Cooperation with other agencies and localities to find efficiencies (i.e. Vo-Tech Center)
- Be environmentally proactive; rather than reacting to regulatory demands
- Strategically plan because County is not at a crisis point and can set good direction
- Evaluate special taxing districts and payments for service for fire and EMS services
- For the CSB and Social Services, the cost to react is far greater than prevention/pro-activity/treatment
- JMU, EMU and Bridgewater; cultivate future teacher base
- Sharing facilities to meet education and recreation needs; schools serve as community centers
- County and City work together for joint programs
- Cooperate with the City and towns on long-term water issues
- Explore recreation expansion with the City and towns
- Work with developers to provide recreation facilities
- Gain efficiencies in Inspections by using mobile/hand-held units



Where do we have the greatest opportunities to be creative (if we change our paradigms/strategy)?

- ◆ Improve collaboration and partnerships with the Towns and City
- ◆ Work with industry to collaborate and find a means to meet fire & rescue service needs
- ◆ Evaluate and develop strategies to preserve agriculture (i.e. PDRs, put Farm Machinery Tax into special preservation fund)

- ◆ Find new revenue sources
- ◆ Assist citizens to be better informed of how we do business so that it offsets state “politics”
- ◆ Use technology to gain efficiencies
- ◆ Continue to develop relationship with legislators
- ◆ Meet with developers to address public facility and service demands
- ◆ Develop long-term water source and treatment capacity
- ◆ Work with City, educational institutions and private sector to continue to develop technology and research center
- ◆ Proactively address environmental issues
- ◆ Promote and preserve agriculture
- ◆ Partner with Towns and City on water/sewer and leverage for growth management needs