

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia was held on March 27, 2024, at 3:00 p.m. in Room 241, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA 22902.

BOARD MEMBERS PRESENT: Mr. Jim H. Andrews, Ms. Beatrice (Bea) J.S. LaPisto-Kirtley, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, and Mr. Michael Pruitt.

ABSENT: Mr. Ned Gallaway.

OFFICERS PRESENT: County Executive, Jeffrey B. Richardson; County Attorney, Steve Rosenberg; Clerk, Claudette Borgersen; and Senior Deputy Clerk, Travis Morris.

Agenda Item No. 1. Call to Order. The meeting was called to order at 3:00 p.m. by the Chair, Mr. Jim Andrews.

Agenda Item No. 2. **Work Session:** FY 2025 Operating and Capital Budget.

- a. Updates from Prior Work Sessions.
- b. Finalize Tax Rates for Advertising.
- c. Approval of FY 2025 Proposed Budget for Advertising.

Mr. Andy Bowman, Chief Financial Officer, said that this marked work session number five of the Board of Supervisors. He said that in anticipation of the upcoming schedule, they would be requested to undertake action to propose a budget and tax rates for public hearing. He said that this was not the final step, but it was the next milestone in the process where they transformed the County Executive's recommended budget into the Board's proposed budget, eventually leading to the adoption of the budget in May.

Mr. Bowman said that the calendar in April highlighted various community engagements that built upon the activities conducted in March, featuring additional public hearings and town hall meetings. He said that regarding the specific agenda for the work session, staff aimed to begin by continuing the updates and discussions initiated during previous work sessions. He said that they dedicated considerable time on Monday to exploring alternatives with the Board concerning revenues and expenditures, which they planned to present again for further refinement and action. He said that the Board would proceed to address the official motions and actions pertaining to tax rates and the proposed budget.

Mr. Bowman said that the key points discussed on March 25 included the completion of the review of the 25 recommended budget and the Capital Improvement Plan (CIP) alongside the Board's ongoing Q&A sessions. He said that there were still pending questions from the Board that continued to come forward, and they were being posted online for public transparency. He said that the team looking at a group of expenditure changes and a group of revenue options, aiming to narrow down potential options for deliberations. He said that the primary objective of the work session was to carry forward these discussions initiated earlier.

Mr. Bowman said that up examining the updates from prior sessions, the meeting would progress through several sections. He said that first, the focus would be on the general fund, where the majority of their time would be spent. He said that following the general fund analysis, the Board would pause for discussion before delving into the implications of the School fund, the capital budget, and the CIP.

Mr. Bowman said that before discussing content, he wanted to establish context by referring to a slide presented during the County Executive's recommended budget presentation on February 21. He said that the slide emphasized that annual budgeting affected future years due to decisions made in the present. He said that for example, a year ago, during FY24, the Board of Supervisors allocated \$5 million of ongoing revenue.

Mr. Bowman said that instead of using it for operating expenses at that time, they invested it into the CIP to advance specific projects, knowing that it would be available in FY25 to fund operations for all items included in the County Executive's recommended budget. He said that this strategy provided flexibility that would not have been possible otherwise. He said that it demonstrated the Board's commitment to financial planning and long-range considerations, which were regularly taken into account throughout the year.

Mr. Bowman said that he brought this up since, as they considered options for the Board potentially starting mid-year during FY25, the costs involved in FY26 could potentially be greater than those in FY25. He said that in the context of multi-year financial planning, it was essential to consider the importance of strategic decision-making.

Mr. Bowman said that moving to the General Fund, they would examine the summary of the revenue options discussed by the Board during their meeting on Monday. He said that one proposal under consideration involved increasing the transit occupancy tax (TOT) by one percent, raising it from eight percent to nine percent. He said that the City of Charlottesville was currently considering this increase.

Mr. Bowman said that it included an increase in the personal property machinery tools rates, to

54 cents. He said that this scenario required further discussion before implementation. He said that furthermore, non-shared revenues related to the Human Services Alternative Response Team (HART) within the Department of Human and Social Services were included.

Mr. Bowman said that upon reviewing the table, the total revenues in the General Fund amount to \$5.4 million. He said that the breakdown of capital and debt, Public Schools, and County Government expenditures was also presented. He said that revenues derived from a FEMA (Federal Emergency Management Agency) grant were not displayed in the General Fund. He said that there were two primary reasons for this exclusion: grant expenditures were accounted for separately from the General Fund; and if the grant were to be awarded, it would not be appropriated until the fall, following the established practice with other FEMA SAFER (Staffing for Adequate Firefighters and Emergency Response) grants.

Mr. Bowman said that the local match not covered by the grant will be included in the budget, while the actual grant and related expenses will be addressed mid-year. He said that the General Fund anticipated approximately \$5.4 million in revenue, with over half a million allocated to capital and debt, \$2.9 million earmarked for Public Schools, and \$1.9 million designated for County Government.

Mr. Bowman said that in the upcoming analysis, he would delve deeper into the \$1.9 million allocated to County Government, examining both expenditure and revenue options. He said that this was a summary slide prepared by staff based on the direction given on March 29, presenting an option for the Board's consideration. He said that this option balanced FY25 and considers FY26.

Mr. Bowman said that in the first column, the figure of \$1.953 million represented the exact amount shown at the bottom of the previous slide. He said that the slide displayed total revenues, total expenditures, and the remaining balance. He said that there were three key points from this summary that he wanted to share with the Board. He said that this proposed option, which they would examine further, ensured a balanced budget for FY25, meeting the requirements.

Mr. Bowman said that for FY26, the costs were calculated without considering a FEMA SAFER Grant. He said that to prepare this option, staff had estimated the maximum possible local cost for FY26. He said that this assumption took into account that any projects initiated mid-year in FY25 would be funded for a full year in FY26, considering the worst-case scenario if the County did not receive a FEMA SAFER Grant, even though North Garden and Berkmar were planned to operate 24/7 with their requested staffing levels in FY26.

Mr. Bowman said that they hoped that the grant would be approved, reducing the cost. He said that even if it did not, this scenario demonstrated that there was still more revenue available than needed in FY26. He said that they did not need to balance FY26, and that they could refine these figures next year. He said that they should consider ongoing obligations, such as maintaining the general district court for a full year, continuing to secure FEMA SAFER Grants, evaluating future transit options after the MicroCAT pilot project concluded, and the County's strategy to keep up with market. He said that there were various options, each of which would cost over \$377,000. He said that this was just to provide some level that would position the Board a little better a year from now going into FY26.

Mr. Bowman said, regarding revenue, taking that \$1.9 million in both years and what makes up that amount, derived from non-shared revenue with the Department of Human and Social Services, transit occupant tax, and personal property tax. He said that staff projected car values would likely decrease in FY26, resulting in a slight drop in revenue. He said that the combined revenue remained around \$1.9 million in each year.

Mr. Bowman said that some factors were not included in this slide but should still be taken into account. He said that the Board did not need to decide on these matters today, but he wanted to be clear about what was included and what the other options may be. He said that the personal property tax rate applied to a calendar year, affecting bills received in June. He said that out of the total \$4.5 million collected from that tax in FY25, almost \$2 million would be received in FY24, representing one-time funds available for the Board's discretion. He said that regarding this matter, staff recommended taking no action.

Mr. Bowman said that on May 15, County staff would present the third quarter financial report for FY24's performance. He said that they would analyze how all revenues had been utilized and assess the expenditures in their entirety. He said that it was customary for the Board to review the report and consider potential one-time investments in areas such as capital, housing, or economic development.

Mr. Bowman said that another point worth mentioning was the availability of one-time funding options for the Board. He said that one example was the nearly \$9 million in the CIP for Advanced and Strategic Priorities Reserve, which was currently not included but could be used if necessary. He said that the same applied to the \$250,000 for JAUNT. He said that these funds offered flexibility for the Board, but they should be considered to solve an ongoing budget question rather than to be used as a one-time solution.

Mr. Bowman said that on the expenditure side, the majority of the Board agreed to maintain staffing for North Garden and Berkmar Ambulance, totaling 16 FTEs across both facilities. He said that this arrangement ensured 24/7 coverage at both locations. He said that staff would pursue the FEMA grant for North Garden, and the grant funding would be a supplemental appropriation rather than included in the adoption.

Mr. Bowman said that this also included the proposed expansion of HART, which included three FTE (full-time equivalent) positions; one each in Human Services, Fire Rescue, and Police Departments. He said that there was an extra FTE for the Sheriff's Office and another for the Police Department. He said that these costs, both one-time and ongoing, were listed in the top two rows for FY25 and FY26.

Mr. Bowman said that they had also discussed an alternative option for FY26 and considered ongoing service reductions. He said that in this approach, funding could be combined to reach a level of \$250,000 in FY25, increasing to \$500,000 in FY26. He said that the County Executive would provide further input once he finished his remarks.

Mr. Bowman said he wanted to emphasize the final line of one-time reserve of contingencies at \$831,000. He said that this strategy mirrored the Board's decision from last year to allocate ongoing funds for one-time purposes. He said that by doing so, the Board could adapt to changing circumstances and prioritize any unforeseen needs in the upcoming fiscal year. He said that the Board did not need to decide this today or on May 1, providing them with flexibility to address any one-time priorities in FY25. He said that not committing those funds to any ongoing expenses would avoid creating a deficit in FY26.

Mr. Jeff Richardson, County Executive, said he would focus on the \$250,000 allocation for the upcoming year, designated for what they have termed ongoing service reductions. He said that it was a combination of things. He said that over the course of six budget cycles and six annual performance evaluations, they had collaborated closely. He said that the Board had consistently praised the staff's efforts and their joint endeavors to guide and make decisions together. He said that the Board had emphasized the importance of investing in their systems, updating them, modernizing processes, and fostering interdepartmental systems to enhance citizen experiences.

Mr. Richardson said that this initiative represented a commitment to systems modernization, efficiency improvements, and cost savings. He said that implementing these measures in FY25 is the appropriate time, given their recent discussions with the Chief Finance Officer and the Chief Operating Officer, along with her team in Performance and Strategic Planning. He asked that the Board support this proposal. He said that their organization is prepared to navigate FY25 with a focus on efficiency and scalability.

Mr. Richardson said that this approach was considering areas where resources were spent least effectively and where they could cease certain activities, assessing their impact on citizens, customers, organizations, and employees. He said that investments in personnel and systems had been acknowledged, so they needed to ease into this, and they would need this money as they went into FY26.

Mr. Richardson said that if the Board supports the revenue strategies, they were not needed to balance for FY25, but it was a valuable exercise for the organization at present. He said that the Board can monitor progress throughout the coming year. He said that while the Board was addressing a broader range of topics that day, he wanted to focus on this particular issue.

Ms. Mallek said that she appreciated the thorough review. She said she agreed with all the points discussed, but she wanted to raise a concern from an earlier meeting regarding the core modernization initiative. She said that it was suggested that a dedicated staff member might be necessary to ensure its success. She said that this position had not yet been included in the current plan, and she wanted to emphasize the importance of having adequate staffing to handle both the day-to-day tasks and to drive the modernization project forward successfully.

Mr. Pruitt said that he was generally supportive of the proposed option before them. He said that he did not believe the full implementation of the Sheriff 1 FTE was necessary at present due to the uninterrupted court services. He said he would be interested in assessing the potential impact of any interventions from the HART expansion or the state on the total number of TDOs (Temporary Detention Orders) handled by the Sheriff.

Mr. Pruitt said that during their discussion, they acknowledged that certain aspects of their budget allocation and policy decisions were choices rather than necessities, such as the existence of Fire Rescue services. He said that they should feel comfortable acknowledging these policy decisions and understanding that every addition to the budget implied exclusions of other items. He said he disagreed with the assumption that they collectively deemed the unfunded items as less important.

Mr. Pruitt said that he wanted to state for the record that he thought each dollar allocated for the additional TDO Sheriff could be better utilized through directing resources towards emergency relief efforts. He said he had repeatedly emphasized this was a more impactful approach to their financial investments.

Ms. LaPisto-Kirtley said that she understood Mr. Pruitt's concerns regarding the TDO position, and she was not entirely convinced that it was absolutely necessary. She said she was not opposed to it, but she required further information. She said she wanted to know how the courts project coming online might impact this decision. She asked if it would be feasible to allocate funds for this initiative mid-year, once the courts opened. She said that this would allow them to gather more data to determine whether or not that was something that affected the HART expansion, which she supported. She said that she was uncertain about the Sheriff TDO position and could go either way on that.

Ms. LaPisto-Kirtley asked, regarding the Berkmar Ambulance, if they could not finance its operation 24/7, what the most suitable alternative would be. She said that they could consider funding

one or two shifts instead if they did not get the SAFER grant. She said that there was a concern about transitioning towards fully funding volunteer firefighters. She said that she was only asking in the case the grants were not available.

Mr. Bowman said that to clarify, if the FEMA SAFER grant was not received, the plan would involve reducing the 24/7 coverage at Berkmar to weekday daytime hours. He said that currently, there was a slight majority of call splits favoring nights and weekends; however, hiring staff exclusively for those shifts would be challenging. He said that the intention would be to transition the weekday daytime ambulance service mid-year. He said that consequently, this alternative would enable both Berkmar and North Garden to maintain their 24/7 coverage through FY26.

Ms. LaPisto-Kirtley asked whether the Sheriff TDO could be funded mid-year.

Mr. Bowman said that the Board had the flexibility to initiate the option at any point during the fiscal year, specifically by the end of FY26. He said that the Board was not required to determine this specific timing currently. He said that this aspect was included in the proposed budget, and any necessary adjustments could be made between the present date and May 1. He said he could follow-up with questions or information to provide to the Sheriff that might aid the Board in making their decision.

Ms. LaPisto-Kirtley asked if the SAFER grant would affect that.

Mr. Bowman said that the Sheriff was outside of the FEMA SAFER grant.

Ms. LaPisto-Kirtley asked if the Board would consider waiting until mid-year to fund the position. She said that she supported the one-time reserve for contingencies. She asked if the reserve for modernization and efficiency improvements included recruitment of staff to help implement the efficiencies. She said that efficiencies in the permitting process would benefit developers, which would lead to faster development, generating additional tax revenue. She said that she supported efficiency gains related to modernization and IT. She said that the improvements helped the County move forward and benefited residents.

Ms. McKeel said that she supported what was presented. She said she was particularly grateful that they had devised a method to address the situation where they did not receive the FEMA grant.

Mr. Richardson said that the Fire Department and the budget team collaborated closely to develop a practical solution from a timing and budgetary perspective.

Ms. McKeel said that the Sheriff had requested four positions, but they proposed funding for just one. She said that the Sheriff required assistance. She said that although they could wait to observe the performance of HART, providing one position seemed like a reasonable compromise. She said that it should help the Sheriff manage the situation better. She said that they could assess the necessity of the remaining three positions. She said she was optimistic that they would closely monitor the implementation of HART and adjust accordingly. She said that providing one position was not unreasonable.

Ms. McKeel said she supported the continuous efforts towards service reductions. She said she trusted that they were comfortable with these service reductions and would keep them informed about their impact during the upcoming budget cycle. She said that this was something voters often asked them when seeking re-election - what steps had been taken to save money for taxpayers. She said that their actions demonstrated that they were addressing this concern. She said that investing in systems modernization had enabled them to achieve these savings.

Mr. Andrews said that he was pleased with what he observed in the presentation, particularly the one FTE-privileged sheriff position. He said that initially, four and a half positions were requested, but they needed to reassess this matter. He said that they would monitor the performance of HART and evaluate its progress. He said that service reductions should be relabeled as efficiency and modernization savings.

Mr. Richardson said that Mr. Andrew's suggestion was a more accurate description. He said that they considered factors such as efficiency improvements, re-engineering processes, identifying duplicated efforts, and examining less impactful tasks that may have been prevalent 10 or 15 years ago. He said that this approach allowed them to address vacancies and reassess positions within their organization of over 800 employees. He said that it did not imply indiscriminate reduction of staff or freezing positions at the expense of service delivery.

Mr. Richardson said that the Performance Division, under Ms. Shifflett's leadership, had been preparing for this for multiple budget cycles, and the Board had reviewed the latest Spears report. He said that as a result, they would adopt a more refined and cautious approach, keeping in mind the impact on citizens. He said that this concept encompassed more than just service reductions.

Mr. Andrews said that on the previous slides, they had discussed the revenues, totaling \$1.953 million, which came from clearly identified sources. He said that moving on to the next slide, they covered the expenditures, including one-time expenses, ongoing expenses, and service reductions. He asked if the one-time reserve for contingencies was being set aside in addition to the expenditures.

Mr. Bowman said that it was an expenditure as well. He said that the funds would not be disbursed until the Board approved or assigned them. He said that this anticipated expense contributed to

the total amount of \$1.9 million.

Mr. Andrews said that previously, they had discussed the potential use of contingency funds for certain one-time costs.

Mr. Bowman said that the Board had several options available. He said that they could utilize the \$800,000 to fund a one-time project. He said that they could employ the nearly \$1.9 million from the capital advance in the strategic priorities reserve. He said that there was the \$250,000 in one-time funding from JAUNT. He said that combined, these sources offered substantial resources. He said that during FY24, dependent on the third quarter financial report, more options became accessible.

Mr. Bowman said that the Board possessed alternative methods to progress in the Strategic Plan by making one-time investments. He said these alternatives were not featured on the current slide since they might not require inclusion in the proposed budget. He said that the Board could take action on those at a later date.

Ms. LaPisto-Kirtley asked if action would have to be taken on the \$1.9 million contingency prior to the end of the fiscal year or during the next fiscal year.

Mr. Bowman said that it could be implemented at any time. He said that there were no restrictions or urgency regarding this matter, except that waiting might enable the development of the most optimal solution. He said that delaying the decision may result in missing an immediate opportunity. He said that it was ultimately up to the Board's discretion.

Ms. LaPisto-Kirtley said that she appreciated the flexibility of waiting to see what other matters might arise since they could be unpredictable. She said that regarding the personal property tax increase, the change was from the current rate to the proposed rate of \$3.96.

Mr. Bowman said that was correct.

Ms. LaPisto-Kirtley asked about the extra \$2 million for FY24.

Mr. Bowman said that the personal property and machinery tool rate would increase by 54 cents. He said that this change would result in approximately \$4.5 million in additional revenue during FY25. He said that since the tax rate was determined on a calendar year basis, this adjustment would affect the bills issued in May and due in June. He said that County staff anticipated collecting around \$2 million from these adjusted taxes. He said that the \$2 million was expected to be collected in June.

Mr. Bowman said that the County government's share would be approximately \$700,000, while the capital allocation would be around \$200,000. He said that the remaining funds, which constituted the difference, would go towards Schools. He said that in order to present this information more comprehensively, they could include it within the upcoming third quarter financial report. He said that this way, the Board members would have ample time to consider their options.

Ms. LaPisto-Kirtley said that she was very pleased with the progress made by the team, particularly in addressing efficiency improvements. She said that frankly, she would like to compliment Mr. Richardson for his efforts upon her arrival. She said that the team immediately began focusing on efficiency within the HR (Human Resources) Department, which was significant, and also addressed other areas. She said that this emphasis on efficiency would undoubtedly please the public, knowing that it was the focus of their work.

Ms. Mallek said that regarding the Sheriff's position, she was advocating for proceeding with the appointment on July 1 due to the lengthy process of hiring and training necessary to have a qualified individual join midway through the year.

Ms. LaPisto-Kirtley said that she agreed with that.

Mr. Andrews said that there appeared to be a consensus on all of the items.

Ms. Mallek asked if there were currently accessible resources, such as a budget link, on the front page. She asked whether individuals could access the budget documents with a single click from the front page, allowing them to prepare for upcoming public hearings more efficiently.

Ms. Emily Kilroy, Assistant to the County Executive, said that the plan was to release an updated newsletter by tomorrow morning, detailing the changes in the proposed budget. She said that the team required time to thoroughly document the alterations and account for the mathematical aspects involved in the proposed modifications. She said that the community would receive a newsletter describing the changes by tomorrow morning, ensuring transparency.

Ms. Kilroy said that by collaborating with the budget team, they would ensure that documents were uploaded promptly as they became available. She said that they would assess the homepage layout. She said that based on their analytics, distributing the information via a newsletter with direct links to relevant pages and documents proved to be the most effective method.

Ms. Mallek said that many individuals did not receive the newsletter; however, they wished to access the budget. She said that this was the motivation behind her question.

Mr. Bowman said that with a consensus among the Board members regarding the content on Slide 10, he would now proceed to discuss the non-County government aspects of the proposed budget. He said that as part of the proposed budget, they would incorporate the one-time revenue from JAUNT and the ongoing revenue from the Compensation Board, along with the ongoing expenditure change for Rivanna Solid Waste Authority (RSWA). He said that these adjustments would contribute to the reserve funds for contingencies, both one-time and ongoing, which the Board could utilize whenever they elected to do so.

Mr. Bowman said that moving forward to the School fund section, he would provide an overview of the current status based on available information. He said that the School Board initially identified a funding gap of \$13.3 million on March 11. He said that subsequently, the School Board adopted and communicated this figure to the Board of Supervisors. He said that it was essential to remember that the state revenue update they currently possessed was preliminary and subject to change.

Mr. Bowman said that in consultation with his colleague, Maya Kumazawa, Director of School Budget and Planning, they were working to refine these figures further. He said that the latest forecast suggested that if the Governor approved the budget based on the General Assembly, the Schools would receive an extra \$4.8 million in funding. He said that consequently, the funding gap would decrease to \$8.5 million. He said that this figure was subject to change.

Mr. Bowman said that in addition to the revenue update presented on the first slide, Schools would receive \$2.9 million in ongoing revenue from their share of the personal property and transit occupancy tax update. He said that if this was approved, it would further reduce the preliminary funding gap to \$5.6 million. He said that subsequently, the School Board must devise strategies to use the funds. He said that the \$4.8 million was not included in the proposed budget; it would be added later, depending on the actual amount announced on May 1.

Mr. Bowman said that in summary, regarding the capital budget, there was no new information, but it did include technical updates. He said these updates involved removing the Blue Ridge Area Food Bank, updating RSWA, and accelerating the construction of Earlysville and Seminole Trail volunteer fire stations from year three to year one. He said that funding for this acceleration comes from moving increased revenues and capital fund balances from year three to year one.

Mr. Bowman said that there was an extra slide for the Board's consideration, which discusses the addition of half a million dollars in FY25 and subsequent annual additions of approximately half a million dollars from FY26 to FY29. He said that this amounts to \$2 million over the last four years. He said that staff recommends postponing discussion on this matter until there was more clarity on the potential impact of the sales tax referendum outcome. He said that it would be more efficient to address this revenue update for the CIP after gaining more certainty from the state.

Mr. Bowman said that his remarks would be concise, focusing on previous discussions. He said that this meeting concerned setting the rate for advertisement regarding the transient occupancy tax. He said since no action was required today, the rate had increased from 8% to 9%, generating approximately \$900,000 since July 1.

Mr. Bowman said that on the Board's consent agenda on April 3, there would be an action item to schedule a public hearing through the Board's usual public hearing and advertising process. He said that this hearing would occur on April 24, coinciding with the tax rate hearings. He said that the Board would not need to take action on the 24th but instead defer it until May 1, as part of the regular budget adoption and appropriation process.

Mr. Bowman said that regarding the real estate property taxes, the rate stood at \$0.854, remaining unchanged due to the Board's directive from Monday. He said that the overall reassessment saw a 4.07% increase compared to the previous calendar year. He said that lastly, the advertisement included calculating the lowered or effective rate, which represented the rate necessary to counteract the 4% rise in assessment change. He said that the rate, as advertised, would be 82.1 cents per \$100 assessed value.

Mr. Bowman said that in CY2022, the personal property tax rate was dropped by 86 cents due to car values. He said that the next slide presented a proposal to increase the rate by 54 cents, which would add approximately \$4.5 million to the FY25 budget, returning revenue to its previous peak of \$36.6 million. He said that this rate applied equally to personal property, machinery, and tools.

Mr. Bowman said that staff's recommended motion was presented on the slide. He said that if the Board desired a different motion regarding these rates, they could update the figures. He said that the current ones stood at \$0.854 for real estate and \$3.96 for personal property.

Ms. Mallek said that during a previous meeting, there was a discussion on the sufficiency of machinery and equipment, particularly concerning solar power. She asked if this was the annual chance to modify that percentage.

Mr. Bowman said that the tax was set on a calendar year basis, and thus, this would be the appropriate time.

Mr. Bowman said that a critical point he had previously mentioned but failed to address in his

remarks today concerned the fact that when the Board advertised its rates, it represented a maximum the Board could adopt. He said that consequently, the Board had the option to adopt this figure or choose a lower amount, but they could not increase it further.

Mr. Pruitt said that he supported the proposed advertised rate. He said he did not see a policy reason to keep machinery and tools property taxes at the current rate.

Mr. Bowman said that there were approximately 30 to 40 businesses in the County that generated around \$600,000 to \$700,000 annually regarding machinery and tools taxes. He said that to significantly alter this income source, a considerable adjustment in the current rate would be necessary, depending on the Board's desired actions. He said that from this discussion, they could consider potential options for next year's budget process, such as examining other practices within the state and exploring alternative revenue generation methods.

Mr. Bowman said that the solar project mentioned previously could serve as an example of an action to pursue in the upcoming year, given the Board's expressed interest in investigating this option, just as the Board had indicated its desire to examine tax relief and other alternatives, such as TOT, if deemed appropriate.

Ms. LaPisto-Kirtley asked if this could include reviewing the personal property tax rate.

Mr. Bowman said that it would be an option available to the Board.

Ms. LaPisto-Kirtley said that the only other matter she wished to address was the transient occupancy tax, which she supported. She said that she was aware that it would not be implemented until May 1. She said that the reason for her question was that if Charlottesville did not increase their rate to one percent, it could potentially influence their decision not to implement it as well. She clarified that the Board would not have to make a decision until April 24 or May 1.

Mr. Bowman said that staff could provide an update following the City's decision.

Mr. Andrews said that he had no concerns. He said that the value associated with separating personal property, machinery, and tools was minimal. He said that they should address the solar energy topic another day. He said he would support the proposed rates as the advertised rates.

Mr. Andrews asked if someone was interested in making the motion.

Ms. Mallek **moved** that the Board advertise the following rates for a public hearing for the 2024 tax year:

- \$0.854 per \$100 of assessed value for real estate, public service property, and manufactured homes;
- \$3.96 per \$100 of assessed value for tangible personal property;
- \$3.96 per \$100 of assessed value for miscellaneous and incidental tangible personal property employed in a trade or business that is not otherwise classified as machinery and tools, merchants' capital, or short-term rental property, and that has an original cost of less than \$500; and
- \$3.96 per hundred dollars of assessed value for machinery and tools.

Ms. McKeel **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Ms. LaPisto-Kirtley, Ms. Mallek, Ms. McKeel, and Mr. Pruitt.

NAYS: None.

ABSENT: Mr. Gallaway.

Mr. Bowman said that the next action under consideration was the proposed budget for advertising purposes. He said that to recap, during the work sessions, the Board had examined the total recommended budget amounting to \$629.1 million. He said that they had reviewed the general fund revenues, which included \$430 million from property taxes and various other sources. He said that they had analyzed the general fund expenditures, such as the transfer of Schools and the School fund.

Mr. Bowman said that on Monday, discussions had revolved around the capital projects that would be included in the FY25 proposed budget, set for request of appropriation on May 1. He said that the budget amendments had been addressed, consisting of the County Executive's recommended technical adjustments and the Board's recommended adjustments. He said that for clarification, the proposal included funding for North Garden and Berkmar ambulance staffing, the additional HARTS, Sheriff, and Police Department, along with the one-time reserve. He said that this motion was to advertise the proposed FY25 budget.

Ms. LaPisto-Kirtley **moved** that the Board authorize staff to advertise for a public hearing the FY25 proposed budget, which is the same as the County Executive's recommended budget, including any staff recommended changes and any additional amendments made by the Board of Supervisors.

Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Ms. LaPisto-Kirtley, Ms. Mallek, Ms. McKeel, and Mr. Pruitt.
NAYS: None.
ABSENT: Mr. Gallaway.

Mr. Bowman said that was the conclusion of the work session. He said that the remaining items were scheduled for April. He said that there was a potential work session on April 10, which might be canceled. He said that the matter could be brought up at the next meeting.

Mr. Steve Rosenberg, County Attorney, said that if the Board intended to cancel the meeting scheduled for April 10, he would appreciate the chance to draft a resolution, which he had not yet prepared, to be included on the consent agenda for April 3.

Mr. Andrews said that was appropriate

Ms. Mallek said that there were still significant matters pending that could potentially affect them positively or negatively, some of which they might discover within the coming week. She said that having the chance to address them, if required, would be beneficial.

Mr. Rosenberg said that he could prepare a resolution that could be included on the consent agenda. He said that if necessary, it could be pulled from the Consent Agenda if the Board required the April 10 meeting due to unforeseen circumstances.

Agenda Item No. 3. From the Board: Matters Not Listed on the Agenda.

There were none.

Agenda Item No. 4. From the County Executive: Report on Matters Not Listed on the Agenda.

There were none.

Agenda Item No. 5. Adjourn to April 3, 2024, 1:00 p.m. Lane Auditorium.

At 3:55 p.m., the Board adjourned its meeting to April 3, 2024, at 1:00 p.m. in Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA 22902. He said opportunities for the public to access and participate in the meeting would be posted on the Albemarle County website on the Board of Supervisors home page and on the Albemarle County calendar. Participation would include the opportunity to comment on those matters for which comments from the public would be received.

Chair

Approved by Board
Date: 06/18/2025
Initials: CKB