

A regular meeting of the Board of Supervisors of Albemarle County, Virginia was held on March 16, 2026, at 5:00 p.m. in Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA 22902.

**BOARD MEMBERS PRESENT:** Ms. Sally A. Duncan, Mr. Ned Gallaway, Ms. Beatrice "Bea" J.S. LaPisto-Kirtley, Ms. Ann H. Mallek, Mr. Frederick "Fred" A. Missel, and Mr. Mike O. D. Pruitt.

**ABSENT:** None.

**OFFICERS PRESENT:** County Executive, Mr. Jeffrey B. Richardson; County Attorney, Mr. Andy Herrick; and Clerk, Ms. Claudette Borgersen.

Agenda Item No. 1. Call to Order. The meeting was called to order at 5:00 p.m. by the Chair, Mr. Ned Gallaway.

Mr. Gallaway introduced the following Albemarle County Police Department officers present: Ms. Kristian Hernandez and Mr. Justin Gibson.

Mr. Gallaway introduced Albemarle County Schools Superintendent Matt Haas, Director of Budget and Planning Maya Kumazawa, and Chief Operating Officer Rosalyn Schmitt.

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Agenda Item No. 2. **Work Session:** FY2027 Operating and Capital Budget.

- Albemarle County Public Schools.

Mr. Andy Bowman, Assistant Chief Financial Officer, said that this was the third work session of the Board of Supervisors on the County Executive's recommended budget. He said that no action was requested by the Board of Supervisors. On March 18, the Board would be requested to take action in the budget process for the first time. He said that Board would adopt a proposed budget and tax rates for advertisement. He said that the proposed tax rate would serve as a maximum rate that could be adopted.

Mr. Bowman said that the March 18 meeting was a key milestone because at that point, the budget transformed from the County Executive's recommended budget to the Board of Supervisors' proposed budget. The conversation would then continue through a series of town halls in March and April, followed by public hearings and adoption of the budget on April 22, with Albemarle County Public Schools (ACPS) scheduled to adopt its budget on April 23.

Mr. Bowman said the agenda would focus on the School Board representatives going through their request. After that discussion, they would have a Q&A session followed by a brief recess. They would then come back with some technical updates that were recommended for the Board of Supervisors, considering the proposed budget on Wednesday. Additionally, they would continue a conversation that started with the Board last week about parking lot items that the Board may want to act on as part of the proposed budget on Wednesday or later in April.

Mr. Bowman said that there was no need to take that action tonight, but it was helping staff to have a productive conversation with the Board on Wednesday. They would then move on to debt management and CIP (Capital Improvement Plan) chapters. If they were unable to complete those today, they would pick them up at Wednesday's work session.

Mr. Bowman said he would provide a few slides to set things up for the public schools and recap the discussions he had had. He said that the allocation of shared revenues was a formula that was part of the Board's financial management policies. The way this worked was that there were revenues designated to be split every year, and they were those revenues they called shared. State revenues for public schools were designated for public schools and were not shared. He said state revenues for public safety or building permit fees for processing applications and community development were not shared. He said they had that set of shared revenues, and they looked at how those changed year to year.

Mr. Bowman said that once step one of the calculation was done, they moved to step two, where they made deductions for changes in expenditures. He said that these included items such as the City of Charlottesville Revenue Sharing Agreement, the Tax Relief for the Elderly and Disabled Program, and the Economic Development Authority Tax-related performance agreements. The Board of Supervisors had also dedicated tax rate increases over the year that were not subject to the split, which were outlined on the slide. This left a remainder, which was allocated as follows: 54% to the ACPS (Albemarle County Public Schools) operating budget, 36% to the County government operating budget, and 10% to the joint debt service and CIP capital budgets.

Mr. Bowman said that this was a long-range planning tool, but there may be circumstances in any given year when the Board may choose to deviate from this split. He said that some form of this split had been in existence since the 1990s. The staff had reviewed the budget for the last 26 years and found that the Board had deviated from this split more often than not. In 17 of those 26 years, the Board had made different decisions, often for specific reasons such as extra revenue for public school operations or joint capital. This data provided context for how past boards had viewed this budget.

Mr. Bowman said that as they examined the revenue sharing agreement, tax relief, and other investments, it was essential to understand the composition of the ACPS operating fund and how it had

evolved over several years. Local schools were primarily locally funded, with more than 70% of the school budget coming from the general fund transfer. He said the contributions from the general fund had increased every year except for in 2021, which was an unusual year due to the pandemic. The state revenue was the next largest component, which is shaped by the Local Composite Index (LCI). The two main components, local funding and state funding, brought them to the County Executive's recommended budget for FY27 of \$304.9 million for ACPS.

Mr. Bowman said that there were two decisions that went together for the Board to consider, with a total of four. He said that two of them needed to be made by April 22, and two of them could be made by April 22 or after. He said the first decision was about the total ACPS operating fund. He said that the County Executive's recommended budget, option A, was a total of \$304.9 million, which was an increase of \$20.7 million, or 7.3% of the adopted budget. He said that option B, as requested by the School Board, was a total of \$307.2 million, which was an increase of \$23.2 million, or 8.1%. He said that option C allowed the Board to choose any number between the two options.

Mr. Bowman said, as historical comparison, that this was a smaller funding gap than the last two years. However, it was also worth noting that if they went back to years 3 and 4, Mr. Haas had been able to present a balanced budget to the School Board due to the state revenues being impacted the last two years. He said there was a lot of alignment between the two budgets this year compared to previous years.

Mr. Bowman said the second decision was about the one-time transfer to the CIP. Both budgets agreed on transferring one-time funding into the CIP, but disagreed on the details. Option A was \$6.4 million one-time from the general fund to the CIP. The ACPS request was for \$4.1 million from the general fund to the school fund than to the CIP. When comparing options A and B, the total amount was the same, \$311.3 million, but the allocation and scope of use differed. Option C allowed the Board to consider a different amount of the one-time transfer.

Mr. Bowman said there were two other items to consider. First, there was the use of the CIP placeholder. He said the County Executive had left to be determined by the Board, and the School Board had requested the funds be dedicated to school projects. Second, there was a planning exercise for FY28. In the County Executive's recommended CIP, the recommendation was to allocate \$6.4 million and then replicate that in FY28 to eventually apply to the placeholder of \$12.8 million. This strategy was cautious due to the potential for a significant change in the LCI in FY29.

Mr. Bowman said that spending the \$6.4 million in FY28 would make it unavailable to assist in FY29 if there were an unfavorable change in VRS (Virginia Retirement System) rates or the LCI. Currently, option B had no FY28 process from the School Board. He said considering there was disagreement on the FY27 budget that there would also be disagreement on the details in the FY28 budget. He said this was not something the Board had to decide right now so the Board could very clearly take option C and revise the \$12.8 million all through next year's budget process in the CIP as a planning placeholder that continued to be accounted for.

Mr. Bowman said his intent was to help show all of the things the Board needed to weigh in terms of what needed to be decided by April 22 versus later.

Ms. Rebecca Berlin, Chair of the School Board, said she was presenting the School Board's funding request for FY27. She said they aimed to provide context for this request, share the progress their students were making, the challenges they continued to face, and the investments needed to ensure ACPS continued to prepare students for the future.

Ms. Berlin said she wanted to emphasize that the School Board's request was a balanced, needs-based budget. She said the proposed operating budget for FY27 totaled \$311.3 million, aligning projected expenditures with the shared resources and revenues available to ACPS, as outlined in the Board of Supervisors recently amended financial management policies. This request reflected the resources needed to support students, sustain the workforce, and maintain the services families relied on to ensure a high-quality public education for their children. She said the request they would see tonight reflected the balance between meeting student needs and fiscal responsibility.

Ms. Berlin said that strong public schools were foundational to a thriving community, preparing students for college, careers, and civic life, while also contributing to the broader quality of life across the County. High-quality schools support workforce readiness, strengthen local economic vitality, and help sustain long, strong, stable communities. For these reasons, the strength of the public schools was closely connected to the long-term prosperity of the County.

Ms. Berlin said constituents wanted a community with economic stability, property values that remained stable, a ready workforce, an economy that was strong, and a high level of public safety and health. Research showed that a well-funded, high-quality school system supported these five characteristics of strong communities. Research also showed that strong public schools played a major role in economic prosperity.

Ms. Berlin cited the International Economic Development Council, stating families and businesses looked closely at school quality when deciding where to live, where to work, and where to invest. The National Bureau of Economic Research noted that better schools produced a strong future workforce, but also affected where families chose to live by strengthening the housing market and where communities

could build a stronger tax base. She said that the vitality and economic potential in the County was strengthened by the quality of their public education system.

Ms. Allison Spillman, Vice Chair of the School Board, said that ACPS played a vital role in advancing the County's broader Strategic Priorities, particularly through strong public education. She said that many of the County's strategic goals were directly supported by investments in student achievement, safe facilities, and workforce readiness, which were shared by the School Board and the Board of Supervisors.

Ms. Spillman said that, too often, board-to-board budget discussions devolved into debates between funding County government needs under the direct authority of the Board of Supervisors or funding public schools' needs under the direct authority of the School Board. However, the reality is that they shared in the work of putting the taxpayers' dollars to work for the people of the County. Through the budget process, the Board of Supervisors must prioritize public needs and allocate funds to deliver the programs and services necessary to address those needs.

Ms. Spillman said the School Board was responsible for using the funds allocated to public schools by setting priorities within the school division and determining how best to deliver the highest level of education possible with the resources provided. To understand the ACPS priorities, it was essential to provide context to the school division. ACPS proudly served more than 14,000 students across 25 schools and programs throughout the County. She said the student body reflected significant global diversity, with students representing 97 countries and speaking an astounding 81 languages.

Ms. Spillman said that across ACPS, 6,432 students qualified for free or reduced-price meals. This included 4,232 students attending schools that participate in the Community Eligibility Provision, where all students received free breakfast and lunch, as well as 2,200 students who qualify through individual meal applications at other schools. In addition, 13.9% of students received special education services, and 11.4% were English learners, reflecting the diverse needs of their schools to support these students every day.

Ms. Spillman said that beyond the primary obligation to provide quality instruction, ACPS was also called upon by their residents to deliver essential services that supported students and their families. These included transportation, meals, health and wellness support, safe and secure environments, and counseling services.

Ms. Spillman said that during their 2x2 meetings, the question of class size and the belief that the County was among the lowest class sizes in the state was raised. She said she believed it is essential to highlight the reality of class sizes in the County. Maintaining low class sizes was regularly raised by families as a top service level priority. As a result, ACPS was committed to maintaining reasonable class sizes. Most school districts in Virginia do not report on class size, so there was limited data on actual class sizes across the state. The most recent data set, which was reported by the National Center for Education Statistics, was from the 2020-2021 academic year.

Ms. Spillman said that the notion that the County had the lowest class sizes in the state was not actually the case. She said the focus was on maintaining the class sizes they currently had, as they believed they created a better learning environment for students and a more manageable workload for teachers.

Ms. Spillman said that employees were the foundation of the work happening in their schools every day. ACPS employes a diverse workforce that supported student success across various roles, including classrooms, transportation, nutrition services, facilities, and many others. She said that approximately 24% of employees were people of color, and more than 64% resided in Albemarle County. She said that teachers were highly qualified, with more than two-thirds holding a master's degree or higher.

Ms. Spillman said that they consistently exceeded state teacher quality standards, with 94% of teachers being fully licensed, 99% of special education teachers being fully licensed, 95% of their teachers teaching in their field of education, and 92% meeting the experienced teacher standard. She said that they had a track record of introducing non-experienced teachers to the profession and building their credentials to become fully licensed and accredited teachers within the school system. She said that this was a significant reason they were able to attract and retain quality teachers throughout the division.

Ms. Spillman said that the quality of teachers came with a cost, but teachers were the hallmark of any education system. She said that they were encouraged to see retention rates improve, reflecting their continued efforts to support and sustain a highly qualified workforce.

She said that their students continued to achieve strong outcomes, with nearly 94% of the class of 2025 graduating on time. She said that more than 60% earned advanced diplomas. She said graduates were pursuing a wide range of post-secondary pathways, including four-year and two-year colleges, military service, and workforce opportunities. These outcomes reflected their commitment to supporting Virginia's focus on enrollment, enlistment, and employment as pathways to success after high school. Research also highlighted the long-term economic impact of student success. Each additional high school graduate contributed more in lifetime tax revenue and was less likely to rely on public assistance, underscoring how investments in education benefited the entire community.

Ms. Berlin said that the work of ACPS was guided by their Strategic Plan, "Learning for All". She said that this plan served as the foundation for their school division's major decisions, including their funding priorities. It was centered on three goals: thriving students; affirming and empowering communities; and equitable, transformative resources. She said students were engaged in authentic, challenging, and relevant learning experiences, becoming lifelong contributors and leaders in a dynamic and diverse society.

Ms. Berlin said that in this vision, ACPS focused not only on students' education today, but also on how that education collectively impacted the child over their entire school career and beyond. Furthermore, in the academy models, they provided students with authentic and relevant learning experiences that aligned with the School Board's vision.

Ms. Berlin said that as part of the Strategic Planning process, they regularly assessed progress toward their goals. She said the mid-year health check showed encouraging momentum. ACPS remained strong among Virginia's top-performing divisions, with reading, math, and science performance trending upward, and graduation rates above the state average. However, they knew they still had a long way to go. ACPS continued to face the deep impact of COVID closures, like Virginia and other states across the country do. At the same time, they recognized that there was still work ahead. She said that top priorities currently included closing the achievement gap with a focus on reading and math for all students.

Ms. Berlin said they were also seeing positive progress across the organization, including improving teacher retention and declining vacancy rates, while continuing to address capacity pressures at 12 schools that operated over 95% above capacity. The data showed that investments from the past two years, including increased teacher salaries, a new reading curriculum, and reading interventionists, were beginning to yield results. She said these changes would take time and continue to make a long-term impact.

Ms. Berlin said that research consistently showed improvements in student achievement contributed to long-term economic growth. This reinforced the broader value of investing in strong public schools, not only for students, but also for the long-term strength for the community. She had the honor to work with the five student representatives, Maxwell, Max, Amy, Claire, and Layton. She saw the amazing impact the ACPS education has had on them. In speaking with them, it was clear that it was not just the classroom teachers who made a difference, but also counselors, mental health specialists, principals, coaches, art directors, nurses, and interventionists who had contributed to their success.

Ms. Berlin said that during the budget season, there have been many conversations between the Board of Supervisors, the School Board, and constituents regarding the rising costs of public service. Public schools today were responsible for a wide range of services that extended well beyond traditional instruction, from career and technical education and preschool programs to transportation, mental health supports, and other services that helped students succeed.

Ms. Berlin said that ACPS embraced these responsibilities. She said that when they said that they valued equity, they meant ensuring that every student received the level of support needed to thrive and succeed. She said that while the growth in local tax dollars dedicated to ACPS over the past 10 years had increased by 77%, the addition of local tax dollars to government had increased by 117% over the same period.

Ms. Berlin said that while ACPS maintained a greater share of local revenues, there had been a particular focus on increasing County government expenditures well beyond the increase to schools. She said that in FY18, schools represented 62% of operational spending. In the current fiscal year, that share was about 57.6%. Under the County Executive's recommendation, it would be about 57.5% next year. Over time, the percentage of school operations spending had declined as County government spending had increased.

Ms. Berlin said that as County residents, they understood the need for additional investments in fire, police, libraries, court buildings, and parks. However, this raised two important questions they must consider: first, were they hearing from the public that investment in schools should slow relative to other government services; and second, did meeting other needs have to come at the expense of students.

Ms. Berlin said schools were projected to receive about \$11.8 million in additional state funding, largely due to a change in the state's local composite index (LCI) this year. In FY25 and FY26, adjustments to the local composite index reduced the amount of the state funding of Albemarle County Public Schools received. She said that in FY27, the state had essentially restored the funding level. This meant the increase should not be seen as a new trend but rather they should expect more typical growth levels in the future. She said she raised this point because the state increase was cited as a reason to reduce the percentage of local tax dollars going to schools. However, when state funding declined in FY25 and FY26, the percentage of local tax dollars did not increase to offset the shortfall. Instead, the School Board made significant budget reductions to provide a balanced budget.

Ms. Berlin said it was important to look at the significant budget reductions that were made in FY25 and FY26. In FY25, they had increased class sizes, made cuts to the elementary foreign language program, cut department FTEs (Full-Time Equivalent), and eliminated the assistant principal intern program. In FY26, they had eliminated the elementary foreign language program, eliminated the National Defense Cadet Corp, increased class size, eliminated freshman seminar from the curriculum, cut physical education staffing, cut media, STEP and intervention programs. She said they eliminated the furniture

replacement program, reduced instructional coaching, cut department staff, and reduced instructional field experiences. She said each and every one of these was a difficult decision.

Ms. Berlin said that this year, they were making adjustments to the elementary teaching assistant program to reduce program costs. Across the three budget cycles, ACPS had implemented \$9.1 million in reductions, many of which involved permanent staffing and program changes. As they prepared the FY27 budget, the division had identified more than 25 proposals to support their highest priorities. Based on community input, impact, sustainability, and fiscal feasibility, these programs had been narrowed to five targeted strategic investments: math and data specialists; special education services; scholar studio sustainability; tech and textbook purchases; and one-time CIP transfer of \$4.1 million. She said that maintaining the reductions made in previous years allowed them to present a balanced budget aligned with available shared revenues

Ms. Berlin said that while they often focused on new investments during the budget presentation, this year she wanted to focus on the array of services they provided to ensure student success that must be included in the budget every year. She said that they were proud of the per-pupil investments they made to support every child every day.

Ms. Berlin said that she wanted to take a moment to highlight everything that went into providing a day in the life of each of the students. She said that a bus ride to school; air-conditioned learning space; breakfast services; textbooks and learning materials; clean drinking water and restrooms; lunch service and supervision; cafeteria cleaning and support; recess on safe, well-maintained grounds; secure internet access and student devices; a bus ride home; and evening custodial services were all essential services provided by ACPS. She said that if they took away just one piece of this puzzle, their students might not be successful.

Ms. Berlin said when the \$311.3 million ACPS budget request was organized by funding category, the largest share supported instruction and the educators who worked directly with students, while other categories funded essential services such as transportation, technology, building operations, student health, and support services. She said that together, these investments allow ACPS to deliver the programs and services students relied on, supporting every child every day. She said that they were the programs families, staff, and the community relied on to ensure that students were successful throughout their entire ACPS career. She said that the students were why Albemarle County was a place where families and businesses wanted to be. She said that these services were what made Albemarle an economic driver in Virginia.

Ms. Berlin said that research showed that sustained investments in education had long-term benefits for students. She said that studies had also found that students who experienced increased school funding earned more as adults, highlighting the lasting impact of strong public skills in their economic development.

Ms. Spillman said the chart illustrated the change in per pupil expenditures in ACPS from FY20 through the proposed FY27 budget. She said that over this period, the total increase was approximately \$8,000 per student. She said that the most consistent drivers of these increases had been employee compensation, healthcare costs, and strategic investments in student support. She said that like many school divisions nationwide, ACPS had made adjustments to compensation in recent years to maintain competitiveness in recruiting and retaining high-quality educators and staff.

Ms. Spillman said that they have also made targeted investments in areas such as reading specialists and mental health support specialists, based on student needs identified through the strategic planning process. She presented a chart comparing ACPS' per pupil expenditures to other Virginia school divisions that had similar LCI scores. She said that the County's LCI was approximately 0.64, which meant the County paid a larger share of school costs locally than through the state. She said that when compared with similar divisions across Virginia, ACPS remained within a comparable range of per pupil spending.

Ms. Berlin said that she would like to briefly highlight the capital implications of the operating budget recommendations. She said that as discussed previously, the \$9.1 million in reductions implemented over the past two budget cycles had provided the flexibility to support a one-time transfer to the CIP. She said that in the Superintendent's Recommendation, reflecting guidance from the Board of Supervisors during the board-to-board discussion on school capital needs, a proportion of the projected state revenue increase allowed for a \$4.1 million operational funding to support school projects in the CIP. She said this was in addition to the existing 10% CIP allocation in the revenue-sharing formula and helped ensure that new or expanded school facilities could be sustainably supported in future budgets

Ms. Berlin said that the County Executive's proposal, however, directed \$6.4 million from the school's portion of the shared revenues into a reserve fund without a specific designation or identified purpose. Given that these funds originated from the school's portion of the revenue-sharing formula, she respectfully requested that the Board designate the \$6.4 million to support school capital needs.

Ms. Berlin said that as the Board considered the funding request, they encouraged continued collaboration to ensure that both operating and capital investments aligned with the long-term needs of the County students, schools, and residents.

Ms. Mallek said that on slide 16, it indicated the state funding increased by \$11.8 million. She clarified that \$5.4 million of the new money from the state was staying with ACPS, and \$6.4 million would be dedicated to capital projects.

Ms. Maya Kumazawa, Director of Budget and Planning, said that was correct.

Ms. Mallek clarified slide 23. She said that to her, it sounded as if the ACPS dedication should all go towards operations. She said that in the past, local government had funded the entire capital budget for ACPS, unlike many other school districts in Virginia who contributed nothing to their schools' CIP. She said the local government portion was already small.

Mr. Pruitt said he was intrigued by the comparative growth of County operations and Schools operations. He asked for clarification about the cause of the divergence in expense growth between County government and ACPS. He asked if part of that divergence was caused by the County taking on the health insurance costs for the schools. He said he knew that had been a driver for the local government budget increases.

Mr. Bowman said that one potential answer was the shift in the volunteer fire-rescue dynamic. He said that in the past, volunteers were saving the County millions of dollars and reducing the tax rate. He said that as volunteers had requested supplemental funding, the County had been able to temporarily offset these costs with four FEMA (Federal Emergency Management Agency) SAFER (Staffing for Adequate Fire and Emergency Response) Grants, totaling approximately \$12 million. He said that as these grants expired, the County would need to invest more in this area. He said that last year's Board decision to increase the affordable housing fund resulted in an additional \$1.2 million in ongoing expenditures.

Mr. Pruitt said that he was concerned about the long-term planning of their shared budgets, particularly the revenue sharing split with the schools. He said that this split had been in place since the 1980s and was based on an older model that may not be suitable for their current urban, industrial, and diverse county. He said that as their population grew and became more urban, their revenues would outpace the growth of their schools' needs, leading to an imbalance in the funding split. He said that he thought it was essential to gradually decrease the percentage of County funds allocated to schools, as he believed it was unsustainable in the long term.

Mr. Pruitt said that this was similar to their concerns about the sustainability of their revenue sharing agreement with the City, which became irrational over time and at scale. He said that he valued the effort to signal a change in the budget, but he also thought it was crucial to balance this with ensuring schools received the planning advantage of knowing they had a reliable funding split. He said that this would be an important challenge moving forward.

Mr. Pruitt believed revisiting the funding split while ensuring schools were adequately funded would be essential. He said that he also hoped their budget was saving enough to make a statement about reshaping the split and providing adequate planning for the major capital projects requested by the schools. He said that he was candid in saying that both County Executive's recommendations and the School Board's requests met this concern, and he did not feel too strongly one way or the other about it. He said he was willing to support the School Board's request.

Ms. Spillman said she agreed on the long-term planning and that it was something the School Board had talked about. She said it was challenging for them to plan for next year's programs and school needs when they were uncertain about their share of the revenue, which was typically announced a few weeks in advance. She said that having a three- to five-year plan would allow them to make more informed decisions and economize on various aspects. However, not knowing year to year created a lot of uncertainty. She said that she would strongly support long-term joint planning between the School Board and Board of Supervisors, with a three- to five-year plan outlining their expenditures, revenue from local government, and policy updates.

Ms. Spillman said she was curious about the funding and percentage updates that had been recently revised in November. She said that she was wondering why this had not been included in the November discussions and why it had been brought up more recently, as a change.

Mr. Gallaway said he would address that after they finished questions from the Board.

Ms. Spillman noted that the figures in the Schools budget and the County Executive's budget were so close. She said that the School Board's bottom line was that they wanted the \$6.4 million dedicated to schools. She said that if they could secure this commitment, they could make adjustments to their side of the \$2 million dollars, knowing that the funds would be set aside for schools and not repurposed in three or four years. She said that this would provide them with assurances, and they could make necessary cuts to their side.

Mr. Bowman said that he wanted to provide a more thorough response to Mr. Pruitt's question on slide 27. He pointed out that the chart represented all County funds, including the general fund, debt service, and other funds. He said that for County government over the 10-year period, the debt service for the Courts project, Biscuit Run, and Rivanna Futures was substantial and dwarfed any previous County project. He said that debt service was part of the increase in operational expenses for the County.

Ms. LaPisto-Kirtley asked for clarification on slide 17. She noted that ACPS has reduced department FTE funding by \$500,000. She asked if those FTEs were in administration or instruction.

Ms. Kumazawa explained that was department administrative staffing, meaning positions that were not based in school locations. She said a lot of it could be classified as administrative.

Ms. LaPisto-Kirtley asked if they included any classroom teachers eliminated.

Ms. Kumazawa said that those would be reflected in class size increases. She said that they did reduce teacher FTEs along with administrative staffing.

Ms. LaPisto-Kirtley asked what the ratio was for assistant principals in each school.

Ms. Kumazawa said that there was a minimum of one at each school, with additional positions based on enrollment. She said that they had different ratios for when an additional assistant principal was required for elementary versus middle and high schools.

Ms. LaPisto-Kirtley asked if the School Board expected any additional revenues from the State. She noted that they had not yet finalized the budget, and she was hearing about the potential for additional funding.

Ms. Kumazawa said that she anticipated additional funding based on the two versions of the budget that had been passed by the House and the Senate. She said that they did not make a state revenue update until the conference budget, the negotiated budget in between what the House and Senate had passed, was published. She said that at that point, they would make an update to the state revenue projections. She said normally the conference budget was published around this time but that her understanding was that they had yet to come to an agreement on it.

Ms. LaPisto-Kirtley asked for some clarification about the School Board's intention with the remainder of the \$6.4 million since they had proposed that only \$4.1 would go to CIP.

Ms. Berlin said that the balance of that money they would propose would be used to balance the School's operating budget.

Ms. LaPisto-Kirtley said this would be instead of the entire \$6.4 million being used for CIP for something like a new school.

Ms. Berlin said yes.

Mr. Missel said he really appreciated the onboarding process for newly elected Board members and said he felt it had prepared him well. He thanked the Superintendent and Chair of the School Board for their work in the two-on-two's. He asked, in follow-up to previous Supervisor's questions, what the \$2.3 million would be used for if it was shifted to operational expenditures and what would not get funded if it was kept in the CIP or not funded.

Mr. Matthew Haas, Superintendent, said that the funds would be used to fulfill the funding request, which was drafted with the expectation that the allocation of the \$2.3 million would be towards operations.

Mr. Missel asked what would be cut from the budget if the \$2.3 million was not provided for operations.

Ms. Spillman said that it would be up to the Board to decide what to cut, and they had not had those conversations.

Mr. Missel said that slide 11 talked about the Strategic Plan. He asked if there was a three- to five-year plan to address long-range planning needs.

Ms. Berlin said that the CIP was the five-year rolling plan, which examined needs for new builds and major renovations. She said that in addition, they needed long-range operational planning. She said that being able to have a reliable funding split and joint planning sessions would be helpful for operational planning.

Mr. Haas said that for the funding request changed because there was an increase in the LCI that restored some funding this year. He said because of the variability of the LCI, they wanted to make a substantial contribution to the CIP to ensure that they had some funding in place for long-term planning. He said that additionally, this funding would help them to mitigate the impact of the shifting LCI, which they had observed. He said that they aimed to strike a balance between making a significant contribution to the CIP and allowing them to continue with their operational planning.

Ms. Kumazawa said that the plan that the School Board approved in December was the one presented. She said that it included the five-year requests that they were looking for. She said that from there, the process involved determining what could be included in the CIP based on available revenues. She said that she believed the discussion in December was part of the School Board's process for creating a plan without considering revenues. She said that during this budget process, they assessed the available revenues and looked for opportunities to contribute more to the CIP. She said that both

proposals in the budget included additional funding to the CIP, on top of the recurring 10% allocation. She said this was them attempting to bring the two together and try to get the CIP and Operating budget working better together.

Mr. Haas said that the CIP request was supported by the Long-Range Planning Advisory Committee's (LRPAC) biennial report to the School Board. He said that the committee considered factors such as enrollment projections and housing when making recommendations. He said that reviewing the budget resources over the past two years, he found that there was a consistent pattern of planning and investment.

Mr. Haas said that it was interesting to look back at the LRPAC's plans from 10 years ago and see how they had evolved since then. He said that during a recent LRPAC meeting, they discussed the importance of tracking progress, even when it was challenging to sense it in the present moment. He said that by examining the past 10 years, they could see the successful partnerships between the school system and local government that had already been implemented.

Mr. Missel said that predictability was important. He said that being proactive was also important, and he suggested reviewing how many decisions regarding capital or operating expenses were reactive. He said that long-term planning was important, especially for capital and operations.

Ms. Berlin said that she believed in moving from being reactive to being proactive. She said that the more they could adopt this approach, she believed it would be better for everyone.

Ms. LaPisto-Kirtley asked how much ACPS spent on professional development and if that varied school by school.

Ms. Berlin said that they would follow up later with the figures.

Mr. Gallaway asked about the math and data support specialist positions. He said that during a recent School Board meeting, he recalled seeing two positions at Mountain View that were presented, which were not part of the budget. He asked if this was a continuation of those kinds of positions. He asked if the positions at Mountain View were pilot positions.

Mr. Haas said that to provide context, that discussion was a work session. He said that annually, they had a mid-year data report to the School Board, where they presented the most current data on math, reading, and science. He said that they were doing two things: they were examining the growth of their students in the current year, and they were projecting SOL (Standards of Learning) performance at the end of the year.

Mr. Haas said that as a result, they invited schools that were outperforming the district in terms of growth, and Mountain View was one of those schools that was beating the district in math. He said that Dr. Kinnard, the principal, discussed two positions he had created from his staffing. He said that to accommodate this, he had to make some adjustments, such as potentially increasing class sizes or working with staff to develop creative scheduling arrangements, in order to free up a couple of teachers to take on this work.

Ms. Chandra Hayes, Assistant Superintendent for Instruction, said that this proposal would provide specific math support for schools in the Transformation School program, including Mountain View. She said that these positions were unique in that they were math teachers who must obtain a math specialist license, similar to a reading specialist. She said that they would assist schools in various ways, including pedagogy, diagnostic tools, and assessments, to help teachers make real-time instructional changes and address student academic gaps in specific units or throughout the year. She said that they would also assist students who may be experiencing learning gaps. She said that this role was similar to a reading specialist, but was dedicated solely to math, particularly for schools that were experiencing greater achievement gaps within the division.

Mr. Gallaway asked if they knew where to place the positions.

Ms. Hayes said that they had identified where the greatest need was, but they had also included a provision in the budget proposal to track the performance of this initiative. She said that if they did not see a return on investment, they would then consider moving in a different direction.

Mr. Gallaway asked how many FTEs would be at the Albemarle Career Exploration (ACE) Academy.

Ms. Rosalyn Schmitt, ACPS Chief Operating Officer, said that, related to the opening of the new facility, there were 18 additional FTE positions.

Mr. Gallaway asked if they anticipated to have those positions filled when the campus opened. He asked what would happen if they did not need a particular position in the first year.

Ms. Schmitt said that she believed that every FTE they had budgeted would be needed on day one to support the base programming of the school. She said that in year two and three, if they anticipated an increasing student population, additional FTEs would be necessary. She said that at a baseline, with the number of students they anticipated, the FTE count they had currently represented the minimum staffing requirement.

Ms. Spillman said that it was also worth noting that as they were relocating students to the new school, it was a reduction in FTEs from the base schools to make up for it. She said that while it appeared that they were adding 18 new employees, it was actually a shift from one location to another.

Mr. Haas said that this was similar to how they used to operate CATEC before the City took it over.

Ms. Schmitt said that a robust staffing standard was located in the back of the budget book. She said that there was a formula for every position. She said that they reviewed each position under the staffing standards, and had a robust position for each one. She said they were confident in their need for each position.

Mr. Gallaway asked if the positions at Center 1 and the ACE Academy were considered for SOQ (Standards of Quality) funding.

Ms. Schmitt said that they were not considered separate schools.

Mr. Haas said that it went to the total of teachers. He said all of their teachers were not covered by SOQ funding. He said that all school systems in Virginia operated well above the SOQ.

Ms. Kumazawa said that they did not review SOQ positions by school or category. She said that they looked at the numbers division-wide. She said that there were ratios for the entire division, but they were not by school. She said that the method of counting the students did not really matter in terms of state funding.

Mr. Gallaway asked how many students were expected to enroll in the ACE Academy.

Ms. Schmitt said they had received 560 requests.

Mr. Gallaway asked if those enrollment numbers would justify an additional assistant principal and principal position if the ACE Academy and Center 1 did not exist.

Ms. Schmitt said that it depended on the position. She said that there were thresholds to consider.

Ms. Kumazawa said that if they had not opened ACE Academy, they would not have been funding an assistant principal position, resulting in savings. She said that they were adding an assistant principal at ACE Academy in addition to the assistant principals already staffing current schools. She said that they were not relocating assistant principals.

Mr. Gallaway asked for clarification about the per-pupil expenses on slide 21.

Ms. Berlin said that one of the most frequently asked questions they received was about the change in per pupil expenses. She said that in response, the School Board asked the finance team to investigate and provide clarity on the biggest drivers of the changes over the past 20 to 27 fiscal years. She said that compensation was a major factor. She said that they had made a substantial investment in teacher and staff compensation to keep them competitive with neighboring jurisdictions.

Ms. Berlin said that despite this investment, their teachers remain underpaid, ranking 24th in Virginia. She said that healthcare costs continued to rise, placing a burden on all of them. She said that new proposals, such as initiatives and budget additions, also contributed to the increase. She said that specifically, the addition of reading interventionists, math interventionists, and mental health counselors had been implemented.

Mr. Gallaway said that he would like to look at the student growth rate, excluding special education numbers, which would be built into the overall growth rate, including students with special education needs. He said that he was inquiring whether the enrollment number simply represented the average student population without additional services.

Ms. Schmitt said that what they did was go through the budget book, page by page, and identified every change. They then attempted to categorize these changes in a way that made sense. For enrollment, they looked at whether any changes were related to enrollment growth or shifts in demographics. She specifically pointed out special education, which had seen a significant increase due to the growing needs of this demographic group. She said that they would provide more information in a follow up.

Ms. Kumazawa said that enrollment had increased slightly but steadily over this time period. She said that as costs rose or as they added these services, if enrollment did not increase at the same rate, that was when the per pupil numbers jumped up. She said that prior to the pandemic, when they were growing very quickly, the per pupil amounts remained relatively flat because as enrollment increased, expenses increased at a similar rate.

Ms. Kumazawa said that things changed throughout the Commonwealth post-pandemic, with shifts in student demographics and the services needed. She said that she believed this reflected the shift in services required after the pandemic and the shift in the rate of growth and how they were adding

students. She said that it was not just the expense side that impacted these numbers, but also the student enrollment side.

Mr. Gallaway said that he wanted to make a statement regarding the CIP dollars and the two recommended budgets. He said that to ensure he understood it correctly, he would like to track the buckets presented by the County Executive and the Superintendent over a three-year period. He said that they had discussed planning and timing issues, and he agreed with the call for improvement in these areas. He said that he would like to know if the \$4.1 million recommended for capital in the Superintendent's and School Board's funding requests was allocated for only the first year.

Ms. Schmitt said that at this point, yes.

Mr. Gallaway asked if the intent was for the \$4.1 million to be part of operations in the next year.

Ms. Schmitt said that they had not had a specific conversation about that. She said that she believed they had previously discussed setting a one-time transfer for future flexibility.

Ms. Kumazawa said that she recommended that they reflect the strategy outlined in the County Executive's recommendation to transfer funds for two years. She said that this would ensure that they had the necessary funds available when the local composite index resets in year three. She said that although this had not been a topic of discussion with the Board, as part of the strategy with the local composite index, a two-year set-aside would make the most sense.

Mr. Gallaway said that aligned with the County Executive's budget. He said that regardless of where the funds were allocated or the amount, they acknowledged that they had an unpredictable problem that would exist over the next three years. He said that this issue was not anticipated a year ago, and they had taken steps to address it.

Mr. Gallaway said that the level of thought that the local government side had started to apply to planning was the type of planning that had become more regular since the pandemic. He said that if \$4.1 million was allocated to the CIP this year, and then to operations the next year, then at the end of year two, they would have \$4.1 million available for capital expenses and \$4.1 million for operating expenses. He said that if the LCI not work out in the School Board's favor, then there was no plan to compensate for the difference. He said that by year three, the \$4.1 million was no longer available for operational expenses.

Ms. Kumazawa said that if the \$4.1 million was approved, then they would have a conversation whether they should do the same thing for year three. She said that they had not yet made the decision to put the \$4.1 million into operations.

Mr. Gallaway said that with the County Executive's budget, by year three, there would be \$12.8 million in reserve for CIP projects. He said that if the LCI fell for the County, then the \$6.4 million in year three could compensate the difference. He said he was repeating it again so no one was confused about what the County Executive was recommending.

Ms. Berlin said that because of the County's funding policy which split funds 54%/36%/10%, the \$6.4 million should be part of the school's allocation, which is why they requested the funds to be designated as discussed or designated specifically for the Schools CIP. She said that was the difference between the County Execs ask and the Schools'.

Ms. Schmitt said that the \$6.4 million was coming from the school's operational budget, and the County was suggesting to remove \$6.4 million from the Schools Operational budget and to use it for something else.

Ms. Berlin said the reason they were able to be fiscally responsible over the past two years was by realizing \$9.1 million in savings. She said that this provided them the ability to dedicate \$4.1 million to capital expenses. She said that the County's policies determined that the \$6.4 million was the school's portion of revenue.

Mr. Gallaway asked when the School division found out about this particular funding split. He said He was not going to get into the staffing debate and that he would leave that for staff to discuss and get back to them. He said the piece beyond \$6.4 million that was potentially going to be held over or go back into the General Fund revenue was what he was talking about. He said the Schools were aware of what the Board did with the dedicated tax revenue last year and that they planned to pull that forward this year. He said this impacted the funding split between local government and schools as well. He asked if they had understood this was moving forward and that they were not moving forward the 0.4% as a dedicated revenue from the tax rate.

Ms. Berlin said it was not as clear as it needed to be.

Mr. Gallaway said he understood and that this was a matter of planning and communication. He said they all have individual two-by-two meetings and some discussions were clear and others left people feeling confused. He said he had to say publicly that the Board of Supervisors was clear with what they were planning to do with the dedicated tax rates last year and their plans moving forward to future years.

Mr. Gallaway said this was something he would put down as a lapse in communication last year. He asked if, after the State had allocated its funding to the school division, there is a point when they finalize their budget and look back at it. He said from his perspective, it was never very clear to him in past years how the schools went from having funding gaps to a balanced budget. He said this was an area the Board of Supervisors wanted to understand better and was an area they could both work on in the future.

Mr. Gallaway said as far as the timing went, both the schools and local government took a long time to come up with their proposed budgets and that nothing was very firm in September or October. He said there was a lot of work left to be done which made earlier discussions between the two Boards difficult. He also said the structure of the County government and the schools as dictated by the State inherently set them up to have tension and be at odds with each other.

Ms. LaPisto-Kirtley asked if the ACE Academy assistant principal would be pulled from Albemarle High School. She asked how many assistant principals were at Albemarle High School.

Ms. Schmitt said that they would follow up with an exact number. She said that while students would be pulled from Albemarle High School, it was not enough to reduce the number of assistant principals.

Ms. LaPisto-Kirtley asked if there would be one assistant principal if ACE Academy and Center 1 combined.

Ms. Schmitt said yes for that particular position.

Ms. Kumazawa said that those assistant principals still had students attending ACE Academy every other day, and they continued to report to the base school. She said that based on the detailed discussions that Ms. Schmitt had about what was needed at each school, it was not a new school scenario where students were solely attending the new school. She said that it was a hybrid model. She said that consequently, it did introduce some redundancy in administrative staffing.

Ms. Kumazawa said that for example, with Mountain View, when students were actually transferring from one school to the other, in that case, an assistant principal would accompany the students because the enrollment at that school was changing. She said that the type of school opening, the position, and how their responsibilities would change with the new building were all factors to consider.

Ms. Schmitt said that currently, Mountain View Elementary had one principal and two assistant principals due to its size. She said that when the new school opened, each school would have one principal and one assistant principal. She said that this meant that they had hired a new principal, but the number of assistant principals had remained unchanged.

Mr. Haas said that the staffing standards were outlined in section G, and there was one for each position in the school system.

Ms. LaPisto-Kirtley asked if there was a reason for those standards, such as additional discipline problems.

Ms. Hayes said that she would not necessarily limit it to discipline; there were many factors that students brought to school that required additional support. She said that sometimes it involved discipline, but also the ability to work with students or their families to address different needs. She said that this could include providing social-emotional support, offering additional resources, or collaborating with their community.

Mr. Haas said that it was true that elementary schools typically had an assistant principal. He said that they had to consider additional demands, such as year-round testing. He said that the state had since introduced growth assessments, mid-year assessments, and reading assessments, which had significantly increased the testing burden.

Mr. Haas said that in a small school, without an assistant principal, teachers were often responsible for managing this testing process, which could be time-consuming and distracting. This could lead to an excessive workload for teachers. He said that during their conversations with school principals, teachers, and staff, they had requested consideration for an assistant principal position, which they had incorporated into their budget relatively recently. This change had occurred prior to the pandemic. He said that the addition of an assistant principal allowed teachers to focus on instruction rather than administrative tasks.

Ms. Berlin said that returning to the subject of the ACE Academy, the principal and assistant principal would be doing everything Mr. Haas spoke about, and in addition, part of this initiative was about internships, job placements, and connections with the business community to ensure they were preparing students for work. She stated that this was another reason why the ACE Academy needed to start with that group of staff.

Mr. Missel said that he would build upon what Mr. Gallaway had mentioned. He said that as he considered this information presented to the Board, he felt it pertinent to note that they were discussing contingency planning for major capital projects. He said that when they did contingency planning in real

estate, they had hard and soft contingency, as well as soft cost contingency. There was also escalation, which took into account tariffs and market fluctuations. There were established categories with rigor and discipline behind them, and a common decision point where they determined whether to spend or not spend. This was based on convention, such as a 10% hard cost going into a project under construction.

Mr. Missel said that the struggle he was having was that he did not feel like this convention was being applied consistently. He said that he was questioning the use of the \$2.3 million and the basis for the \$6.4 million, and how the \$4.1 million was tied to convention. He said that he was struggling to understand how the right number was identified and how it was being applied.

Mr. Gallaway stated that to summarize, he would like to highlight a couple of key points. On the local government's side, they had always had Police and Fire Departments, but in his eight years as a Supervisor, he had noticed two significant issues that did not exist when he was on the School Board. He said that economic development had become a major concern, as it could bring in revenue that benefited the entire County. However, this was not a priority when he first joined the Board, and it was not even being discussed at that time. He said that affordable housing was the second, and that had become a pressing issue that consistently took center stage at their meetings.

Mr. Gallaway stated that he was sure that there were varying opinions on this topic, but it was a reality they must acknowledge. Additionally, he would like to mention that their growing student population, particularly those who required more services, was another challenge they faced. As the County continued to urbanize around the City as part of their targeted growth in the Development Area, they were seeing an increase in citizens who needed different types of support, which could put a strain on their cost structure. He believed that the Board and School Board both shared similar pain points when it came to managing costs and addressing the needs of their growing population.

Mr. Gallaway said that regarding joint planning, he would like to emphasize the importance of the CIP, he suggested that the School Board focus on bringing forward needs-based funding requests, as the state had charged the Board with being fiscally responsible for the entire County. If they were to engage in joint planning and the Board wanted to have a say in how the Schools spent their money, he would consider that an overreach. He understood the Schools' charge and responsibility, and he believed it was essential to respect those boundaries. On the Board of Supervisors side, they also approached fiscal planning with a similar mindset, recognizing the need to stay within their designated lanes and adhere to state regulations. To achieve this, they must find a way to communicate effectively and respectfully.

Mr. Gallaway stated that during their last joint meeting in December, two key issues emerged: priority and capacity, and the School Board's response and subsequent letter had acknowledged these issues. It appeared that predictability was now a priority. However, he wanted to emphasize that their primary responsibility was fiscal responsibility, and voters would hold them accountable for how they managed the County's finances. When they stood before voters, they would be asked how well they performed in their jobs, particularly in terms of fiscal responsibility. They would also be asked about their tax rate, how they were using the funds, and how they were adhering to their fiscal policies. They had a 10% cap on debt and a 2% cap on the total assessed value. The Board must stay within these policies and communicate them clearly to the public.

Mr. Gallaway said that he had noticed that students, particularly those who attended town hall meetings last year, were advocating for climate change initiatives. While some may be concerned about school budgets, the majority were focused on funding climate change projects. One student caught him very off guard by asking about their climate policies and presenting well-reasoned arguments; this was what they were hearing from students. Generally speaking, the public was advocating for funding in specific areas, such as housing, which they would discuss this further later today. He said that while there were advocates for schools, the general sentiment was to fund the overall programs rather than specific projects. He said that they either wanted everything, or they wanted their money back.

Mr. Gallaway said that as they moved forward with the town halls starting this Thursday, the Board invited the School Board members to attend and listen to the public's feedback. He said that they also had additional public hearings and emails coming in, and he was happy to share these with the School Board as they received them.

Ms. Berlin stated that in closing, she would like to revisit the Board's approach to economic development and affordable housing. She said that almost 400 students had been served by the McKinney-Vento program, so they understood the impact of that work every day. She said that regarding economic development, high-quality schools were a crucial component of their community's economic development. This was why people chose to move there, why they chose to retire there, and why companies like AstraZeneca were attracted to their area. If anyone asked a realtor, the top concern of prospective residents was their high-quality schools. She said that as the School Board, they asked that the County continue to invest in these schools, as they were the driving force behind both their current and future success.

Mr. Gallaway stated that the entire Board of Supervisors agreed with that; however, their tax base was dwindling from their commercial base. He stated that if they did not have a strategy for diversifying their tax base, they would eventually be faced with significant resistance from the taxpayers.

Ms. Mallek noted that the courts renovation project and the regional jail renovations added almost \$100 million to their CIP. She stated that this was just another example of how costs had increased over the years and they must do their best to keep up.

Mr. Gallaway stated that he believed the Chairs and Vice Chairs of their respective Boards could meet and discuss improvements to the budget process after their budgets were finalized.

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Non-Agenda Item. **Recess.** The Board recessed its meeting at 6:56 p.m. and reconvened at 7:06 p.m.

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Agenda Item No. 2. **Work Session:** FY2027 Operating and Capital Budget (continued).

- Follow Up from Previous Work Sessions.
- Debt Management.
- Capital Improvement Program.

Mr. Bowman stated that next, he would review some recommended updates to the FY 27 Recommended Budget. He explained that these updates were technical in nature, meaning they involved adjustments made during the budget process. Every year, they reached a point where they had to stop certain projects and then learn about new information that could have been incorporated earlier. This year, all of these changes were net positives for the Board. He said that he would like to explain each one to ensure everyone understood.

Mr. Bowman stated that most of these changes were in the General Fund. The first item he would like to acknowledge was not an update, but rather a routine process where staff regularly reviewed revenue projections. He said that they met last week to assess if any new information had come in to suggest a change, and they found no evidence of such a change. He stated that he just wanted to acknowledge that work was done, rather than note any actual change.

Mr. Bowman stated that on the expenditure side, they had a net savings. The first two items were related to regional public safety agencies. The regional jail and the Blue Ridge Juvenile Detention Center were building their budgets as part of the County's process, and as part of the budget processes of their partner agencies. Because of this, their estimates were often close at the time of the budget, but would be refined if they continued to refine their budgets. Based on what they had learned in the last month, they could refine those estimates, resulting in a combined savings of about \$300,000. Next, they had a change with Charlottesville Area Transit (CAT). The County Executive's Budget came out before the City Manager's Budget, so County staff worked with the City staff to identify a \$150,000 savings. He clarified that this was not a change in service, but rather a refinement of the numbers as the city finalized their budget.

Mr. Bowman explained that the final change was an administrative error. As part of the Human Services Funding Process, there were eligibility requirements that the Board had approved, including a completed audit. This year, the Reclaimed Hope Initiative was funded at \$25,000, but last year they were removed from the process because they were unable to complete the audit. He said that it was not about the audit itself, but rather the fact that it was not done. They did, however, get back in good standing, and if they had not missed that in preparing the budget, they would have been recommended for \$40,000 due to their performance and eligibility. Staff recommended reinstating the funding for this project. If the Board included it in the proposed budget, he would reach out to Reclaimed Hope to apologize for the confusion and frustration they likely have experienced. As the Board set the framework, staff was expected to execute on it, and he apologized for this oversight in another funding opportunity in the budget.

Mr. Bowman stated that as a result, the net effect of these changes in the General Fund was that they needed to reallocate the savings. Staff had moved them into the Reserve for Contingencies for now, and the Board had the flexibility to adjust this funding as they saw fit. The other adjustments did not impact the General Fund because they were part of the Special Revenue Fund, funded by the state. These were funds from the Opioid Abatement Fund, which was estimated to be about \$25,499 for the restricted programs. Those additional expenses and revenues funded were being recommended to be added to the proposed budget, as well.

Mr. Pruitt asked if they were restricted in how they could use the Opioid Abatement funds.

Ms. Kaki Dimock, Chief Human Services Officer, answered that in general, they were limited in using this funding to address behavioral health prevention and treatment. There was a strong preference for using it for substance abuse prevention and an even stronger preference for opioid use. It was widely understood that primary prevention activities for behavioral health that impacted opioid abuse were more generalized in their implementation and were often implemented in a more widespread manner. Additionally, some of these distributions came directly from pharmaceutical companies and had a broader range of uses, including non-behavioral health applications such as road construction. However, this funding was specifically earmarked for behavioral health treatment and could not be used for other purposes.

Mr. Pruitt asked if there were plans for using this funding.

Ms. Dimock said that the opioid abatement funding came through various streams, and she was not entirely certain which specific stream this was. She said that she believed it may be through the Virginia Opioid Abatement Authority. She said that this was based on an anticipation of two grants they had received, which would also provide additional funding. She said that one grant supported opioid

medication and assisted treatment at the jail, specifically for Albemarle County residents who preferred a monthly injection over daily pills or strips. She said that the second grant, she believed, was for peer support as mandated by law.

Mr. Bowman stated that as they moved to the parking lot items, there were some areas of funding the Board of Supervisors could access to fund any changes desired. He had broken this down into ongoing and one-time sources. First, for the ongoing Reserve for Contingencies, the amount was greater now due to technical adjustments. He had previously discussed this on Wednesday, and historically, there was a minimum of about \$250,000 in that for unexpected expenses throughout the year. He recommended to the Board that they maintain a few hundred thousand dollars for such expenses. However, above that, it would be a reasonable decision to allocate some of that funding differently.

Alternatively, the Board could choose to maintain the current allocation and make a decision later. This was a tool available to them. The Board could also reprioritize any other ongoing funding in the budget. One-time revenue was similar, with approximately \$510,000 in the one-time reserve, as they had discussed last week. They had also discussed one-time money planned across different budget items, which the Board could move around as well. The one reserve they had not discussed was the CIP Advancing Strategic Priorities Reserve, with a little less than \$400,000 remaining. This reserve was established in Fiscal Year 20 and had been used for various initiatives, including some last year that the Board had adjusted in the budget process. It was one-time money that would be available for the Board if they desired.

Mr. Bowman stated that regarding the parking lot topics, these were items the Board had identified, not collectively, but as individual topics to discuss further in the context of budget adjustments. Community nonprofits, such as OAR (Offender Aid and Restoration) Therapeutic Docket and the Foothills Children's Advocacy Center, had been identified. He had received a list of others the Board would like to discuss further, which included a variety of agencies. Next was the Affordable Housing Investment Fund (AHIF), which had been discussed previously. The Board could choose to discuss and amend it further. Additionally, the Board may consider the Schools' request regarding operating and capital transfers. They may also consider tax rate modifications, either in total or desired rate changes.

Mr. Bowman clarified that the Board did not need to take action on any of these items at this time. From staff's perspective, their goal was to assist the Board on Wednesday and identify any other items not on the list, and if there were instances where the Board had reached a consensus on a particular item. This could be discussed on Wednesday, but he wanted to assure them that staff was committed to assisting the Board in any way possible, given that the Board had not yet had the opportunity to review the entire budget in their work sessions.

Mr. Gallaway asked his colleagues to provide any additional items they would like to be considered in this process. Also, if they wanted to speak to any of the previously identified items, now was a good time to do it so that the rest of the Board could consider it prior to making any final decisions.

Ms. Duncan asked if she could receive more detailed reports on MicroCAT ridership and route data.

Mr. Davidson replied that staff could provide that information, but they ultimately relied on their third-party vendor to provide it, so he could not promise they would have it in time for Wednesday.

Ms. Mallek stated that during last year's budget discussion and again last week, she had raised the issue of County taxpayers funding City-focused organizations, and she would like to reiterate that point again. She asked that they consider supporting those agencies that primarily benefited County residents rather than those in another jurisdiction. She expressed her support for increased investment for supporting arts in the County, including their artists and the cultural benefits they provided. She acknowledged that organizations were responsible for sharing their data with the County, but she also did not think the County should just give up on trying to get that information, and considering how it was mentioned for the past three years, she was surprised they did not have that available.

Ms. Mallek stated that she could not find information on the Paramount Live Arts, Virginia Discovery Museum, and the University of Virginia (UVA) Film and Theatre Festivals. She said that she supported consideration of funding for the Cville Band, which was a 104-year-old organization that brought in visitors from all over and provided consistent cultural enrichment to all generations in their County. She noted that the County used to provide \$16,000 to the Band back in 2008, which was subsequently cut to \$8,000 during the Great Recession, but she hoped that they would consider providing them more support for these excellent benefits. She stated that furthermore, there was no explanation for the IX Art Park in terms of what it did for their County residents. She stated that furthermore, LiveArts was not easily accessible to County residents, and the same could be said for the Discovery Museum, and the Jefferson Center.

Ms. Mallek stated that the Paramount was an excellent community establishment, and she would be happy to fund that, but she also noted that they charged multiple fees for their programs there. She stated that without more information on the economic impacts the Film Festival had on the County, she was not supportive of that contribution. She stated that conversely, she was supportive of funding the Festival of the Book because they visited all their County schools. She emphasized that these were all excellent organizations, but the question was if County tax dollars should be used to support them. She asked the Board to please think about it.

Mr. Gallaway asked staff if they could provide information related to County service numbers by Wednesday.

Mr. Bowman stated that staff would do their best. He said that relative to the changes to the budget, the agencies identified to date were smaller than some other larger items, and if the Board desired changes to arts and cultural festivals beyond Wednesday, they still had time to work through that before April 22. He stated that a larger realignment of items in the budget would take more time to talk through.

Ms. Mallek asked when staff would recommend that the policy decision be made.

Mr. Bowman replied that if there was information they could provide that led the Board to consider an alternative direction for the proposed budget, he thought that would be a reasonable approach for the Board to incorporate into the budget. He said that in the event they were unable to provide all the necessary information, the Board would still have the option to refine the budget.

Mr. Bowman said that the proposed budget was not set in stone, and amendments could be made from there. He said that it was when they got into the specifics of these items that the tax rate became a consideration, and that was where the volume of these requests became a significant factor. He said that not having totaled them up yet would not be a \$3.3 million figure, or \$0.01 on the tax rate.

Ms. Mallek stated that her philosophical question was regarding the decisions on these smaller amounts so that they were not ignored until next year.

Mr. Pruitt stated that while he was not convinced they needed to adjust any of these contributions downward during this budget cycle, there may be value in considering additional criteria or a strategy specific to arts and culture as they related to economic development and placemaking. He said that they could leverage organizations to push them in the direction of thoughtful, County-focused placemaking while continuing to make sure they were meeting the asks for resident service.

Mr. Pruitt said that to prepare for Wednesday, the critical decision point was regarding the tax rate and dedicated tax rate modifications. He stated that they had received requests from the public to dedicate \$0.01 on the real estate property tax rate, so he would like to have some data on personal property tax rates and the breakout of revenues raised on personal property machinery and tools tax, particularly as they considered diversifying their tax base with different industries.

Mr. Pruitt stated that while he did not have a specific ask, he felt the County was generally underfunding the Albemarle County Emergency Relief Program (ACERP). He stated that if they had County-administered services beyond ACERP that provided deep impacts, he would be less concerned, but otherwise he would be supportive of providing additional funding to meet the current demand on ACERP.

Mr. Bowman confirmed that staff could provide some additional information on that.

Ms. LaPisto-Kirtley said that she would like to see the list. She stated that she was familiar with some but not all of these organizations. She said that Communities in Schools of NOVA (CIS NOVA) was an organization she was unfamiliar with, and what she had read about it seemed like they put the pressure on schools and teachers to develop things, which she did not support.

Ms. Kaki Dimock stated that Communities In Schools was a national best practice program, requested in various settings. She said that it had been implemented in a couple of schools, including Albemarle Public Schools, and had proposed an expansion. She said that this program served as a bridge between schools, parents, and community-based resources, bringing community resources that typically served as referrals for agencies directly to kids and their families onto the school site during the school day or shortly after. She said that as a result, it had positive outcomes in terms of school attendance, school engagement, and achievement.

Ms. LaPisto-Kirtley said that her concern was that the staff of the school developed the program in order to do what they needed to do, which seemed onerous, but perhaps not. She said that if it was confirmed to be beneficial to the children, she would support that. She said that she would like to see additional funding provided to the Charlottesville Ballet because more than half of their students were Albemarle residents, and they provided a wide range of beneficial dance programs to children and adults.

Ms. LaPisto-Kirtley stated that to that end, she would like to see a chart with every organization listed, and the Supervisors could prioritize which of those they wanted to be fully funded. This way, the Supervisors could discuss among themselves why they chose which organizations for funding and they could better understand the value of each agency. She said that there were other items like the Fountain Fund, On Our Own, Women's Initiative, Front Porch, and the Jefferson School. She asked if staff could provide information on how those organizations were contributing to citizens in Albemarle County.

Mr. Bowman confirmed staff would provide the best data they could by Wednesday.

Mr. Missel said that a constituent had noted a budget technicality regarding Computers For Kids.

Mr. Davidson confirmed that staff was preparing a response to that issue.

Mr. Missel said that he believed they were requesting \$25,000 and 38% of their students were in Albemarle. He said that he supported the contributions to Albemarle Housing Improvement Program (AHIP), which was fully funded, but he would emphasize that keeping people in their homes was critically important. He expressed his support for funding the Therapeutic Docket, Foothill Children's Advocacy Center, the Charlottesville Ballet, Cville Band, and other arts organizations.

Ms. Duncan asked for clarification regarding the funding process for nonprofits.

Mr. Bowman explained that as staff, their role was to take the Board's policy direction from the framework and execute it. He said that they then checked in on the process to ensure it was proceeding as intended. He said that it was essential to note that staff did not make decisions regarding funding allocations; rather, they provided recommendations for the Board's consideration. He said that the Board could then apply their own judgment and make decisions based on their perspective. He said that this was a crucial point to consider. In the meantime, they would have an opportunity to review and refine the process in the summer. He said that this did not preclude the Board from exploring alternative options if they so desired; they had the authority to do so at this time.

Ms. Duncan said that as a newcomer to the Board, she was trying to understand their role in this process. She stated that she did not feel like it was her job to nit-pick which organizations should be funded or not funded based on what the Board liked or did not like, considering this was a separate process between community members and staff. She said that she was trying to understand the role of the Board and trying to avoid micromanaging staff's decisions.

Mr. Bowman acknowledged that the Board had discussed that question in the past. He would defer to the Chair to take up that issue. He stated that Board members had expressed varying opinions on how to approach that.

Mr. Gallaway said that he believed that the situation was complex because there were multiple factors at play. He said that one factor was the dollar amount, and they had a defined process that they followed, which ultimately resulted in the budget recommendation. However, there were also questions about the data, the process, and whether the policy was being executed as intended. He said that these were three distinct things. As a result, he was hearing requests for data which was relevant to the budget, but also concerns about the process, which may not be something they could address within the budget timeframe. Additionally, there was specific advocacy for the groups.

Mr. Gallaway said that to Ms. Duncan's point, and to other Supervisors raising certain ones, staff could have all applications go directly to the Board, they could level fund it every year at zero, and the Board could figure it out. He said that when they started deviating from the process, it became a matter of who advocated the most from the community, the Board, and a combination of both. He said that this could lead to unequal treatment of different groups, such as those who supported the arts versus those providing services that augmented the County government. In his eight attempts at this, he was willing to do whatever the Board wanted to do. If they wanted to level fund everyone at zero, he would need to review each agency's application and recommendation to determine the dollar amount, which would be a significant undertaking.

Mr. Gallaway said that alternatively, they could rely on their existing policy, which aimed to be objective and predictable, as the Schools had asked for. He said that they could then debate whether the policy was being executed as intended and whether the data was reliable. If they wanted to advocate for a specific agency to receive more funding, he suggested drafting an email explaining why they were not advocating for increases to other agencies.

Ms. LaPisto-Kirtley said that she certainly respected the process, but she agreed with Ms. Mallek that they needed to consider whether these organizations were primarily serving their own constituents in Albemarle versus the City.

Mr. Pruitt agreed with Ms. Duncan that he did not want the Board to make these discrete decisions. He said that he appreciated that the process insulated the Board from that and knowing that technical expertise was going into it. He stated that however, the Board was also the force that drove the creation of the process itself. He noted that the appendix in the budget included how many County residents were the recipients of these services, so he must be frank that he did not know what data they were missing.

Mr. Bowman confirmed that was correct; however, the arts and cultural agencies may require more information to be provided.

Mr. Gallaway said that regarding the technical update to Charlottesville Area Transit (CAT), he was considering this as an ongoing cost increase, so he thought that should be set up as a dedicated transit reserve or something similar. He said that it could potentially address MicroCAT fees or other small items, rather than programming it for another purpose. He asked the Board to consider this for their meeting on Wednesday. He said that by removing that amount, it reduced their ongoing amount in the Reserve for Contingencies from \$814,000 to about \$660,000. He stated that regarding the tax rates, he recalled a penny on the personal property tax was about \$113,000.

Mr. Bowman confirmed that was correct. He clarified that the personal property tax included vehicles and machinery and tools.

Mr. Pruitt asked if staff projected those numbers separately.

Mr. Davidson replied yes; they considered the machinery and tools separately because of the limited number of taxpayers, allowing them to focus on that aspect more precisely. He said that as a result, the machinery and tools were rolled into the overall value, which came out to approximately \$113,000 per penny.

Mr. Gallaway asked how much was in the Board Strategic Reserve.

Mr. Bowman clarified that it was the CIP Advancing Strategic Priorities Reserve, which currently had approximately \$394,000.

Ms. Mallek asked if that was the Board Reserve.

Mr. Bowman clarified that it was previously known as the Board Reserve; it was now known as the Reserve for Contingencies.

Mr. Bowman said that one thing to keep in mind was that tax rates were typically implemented on a calendar year, not a fiscal year. He explained that if the Board were to consider a tax rate increase, for example, a penny, it would generate \$3.3 million in ongoing funding in Fiscal Year 27. He said that it would also generate approximately \$1.6 million in one-time funding in Fiscal Year 26. He said that this was an important point to note, as the Board would set the tax rate in April, which would be collected in June and December. He said that for full transparency, he wanted to highlight the potential impact of these rate changes.

Mr. Gallaway asked if staff could provide a follow-up email that included the value of a penny and the dedicated amount versus the split amount.

Ms. Mallek asked for staff to consider the fact that the property tax waiver meant that they did not receive those revenues, similar to the deferred taxes from the Land Use Program.

Mr. Bowman stated that next, he would review their Capital Improvement Program (CIP) and debt management. He said that first they would discuss debt because that was increasingly driving the CIP. This was evident from the County Executive's presentation, which mentioned five projects driving the CIP and debt. These were the Courts Complex, Rivanna Futures, Mountainview Upper Elementary School, ACE Academy at Lambs Lane High School, and the Northern Feeder Pattern Elementary School. He stated that these totaled approximately \$300 million in capital projects, and this represented the five largest projects in the County's CIP recent history. He provided a chart depicting the County government and Public Schools debt service over time.

Mr. Bowman explained that capital investments could fluctuate as projects started and stopped, but debt service was a 20-year commitment when the County issued debt. The Schools continued to be the majority of the CIP, but County debt service was also increasing. The County's current debt service was approximately \$34 million and would decrease to \$27 million by Fiscal Year 31. The upcoming debt issuances, driven primarily by these five major projects, would result in a total debt issuance of almost \$27 million by Fiscal Year 31, accounting for half of the County's total debt of \$54 million in Fiscal Year 31.

Mr. Bowman stated that he wanted to provide some context regarding the total investment the Board was making in the CIP and debt service, and this would also help explain why there were fewer projects in years four and five of the CIP, as more funding was allocated to annual debt service payments rather than new capital projects. He highlighted that the County's debt was increasing, but it remained within the County's financial management policies. They were below the 10% policy cap for debt service as a percentage of revenues, and also below the policy cap for outstanding debt relative to the total tax base.

Mr. Bowman stated that one thing he wanted to make clear was that the lines in the out-years only appeared as favorable because of the investment in economic development, specifically the AstraZeneca project. If this investment did not bring in additional revenues or increase the tax base, Fiscal Years 30 and 31 would be much tighter. Continuing this theme, he wanted to discuss how their debt capacity connected. Their triple-AAA bond rating, held by the County, as well as by the City and University, brought numerous benefits, including flexibility for the Board of Supervisors due to lower debt payments. This flexibility allowed them to support other strategic objectives better.

Mr. Bowman said that the County also benefited from a better interest rate, enabling it to borrow more and complete more projects over time. He said that he would be brief, but he liked to take a moment to discuss capacity and affordability, as this was a recurring question. He explained that capacity, from a municipal bond structure perspective, referred to what the government could borrow without compromising its rating or debt ratios or sustainability. Affordability focused on what debt service the County could afford while supporting its six strategic objectives and overall financial health.

Mr. Bowman said that in the context of debt service, he had provided a slide that highlighted the capacity and affordability for Fiscal Year 31. He said that currently, they were at 7.2% capacity, and issuing \$68 million in bonds would still allow for that capacity. However, he would note that capacity was only half the equation. He said that the annual funds required to pay debt service or operate the facility were not yet available. Furthermore, this capacity was only available for 20 years, and it would take time

for other debt to be retired before this window opened. He said that this was a long-range, multi-year planning exercise, similar to the courts, Rivanna Futures, and schools. He said that this dialogue would continue beyond this year's budget, shaping the best approach when capacity became available.

Mr. Bowman stated that this example also illustrated the importance of not planning to go to 10% capacity, as a favorable change in revenues could create more headroom. Conversely, a major disruption in the economy could reduce growth, creating more challenges. He said that this was why multi-year planning was essential, with each year's plan refreshed to reflect changing circumstances. He said that there was a question from the Board regarding different borrowing rates, and he would include that in the Board's Q&A to explain those differences.

Mr. Bowman stated that on December 3, they had discussed the concept of the "art of the possible." He said that he appreciated Mr. Haas bringing this quote to their attention earlier. He stated that in terms of how the art of the possible manifested in the recommended budget, the takeaway from this discussion was that it was not an either-or situation; rather, they needed to consider all potential funding options for any major capital project. These options included legislative priorities for state budget considerations and potential reprioritization of future revenue growth, including reprioritization of the CIP. The \$6.4 million allocated to a placeholder in Fiscal Years 27 and 28 was one example of this.

Mr. Bowman stated that the Schools had identified the Northern Elementary School as a high-priority project, with the high school also being a top priority. Staff had recommended that the \$16 million in renovation funding be reallocated to other public school projects. This was where the art of the possible came into play, as they were able to combine \$8 million for the Northern Elementary School with \$13 million in a to-be-determined placeholder. If the sales tax revenue came in line, they could potentially see an increase of \$15 million in funding for projects that did not exist previously. He said that he would omit Options D and E from their conversation today considering they were longer-term responses.

Mr. Bowman stated that he would next provide a brief introduction to the CIP. He stated that the capital budget was the only item that was appropriated, and it included items that could be reappropriated in subsequent fiscal years. The CIP spanned years 2 through 5, and when they adopted the plan last year, Fiscal Years 27 through 30 became the starting point for this year. Similarly, when the Board adopted the CIP, Fiscal Years 28 through 31 became the starting point for next year's CIP. The funds from the capital budget and the CIP worked together to address the ongoing debt service payments and operating costs associated with these projects. Their assumption was to start with the adopted CIP, and staff had done the necessary work to update project costs, borrowing, and other relevant factors.

Mr. Bowman stated that they had a joint meeting with the School Board on December 3, and they had made an effort to incorporate as much as possible into the CIP. First, they had updated the cost for ongoing programs, which may change from year to year. When comparing the four years in the CIP that were the same, the County government maintenance and replacement program was decreasing. He noted that this decrease was primarily due to adjustments made to the timing and the Fire Rescue apparatus program. The Public Schools had requested increases in school buses, technology, and other items, and their maintenance and replacement budget was fully funded. They had increased the funding for the Northern Elementary School, reprioritizing \$8 million for renovations.

Mr. Bowman stated that additionally, he would like to highlight the following new projects: Boulders Road, which was \$41 million, with \$20 million coming from the state, \$12 million from AstraZeneca, \$500,000 from the Economic Development Authority, and the remaining \$8 million from the County's Economic Development Fund, based on past investments. He said that they also had an \$8 million Schools placeholder, another "Other" placeholder of \$12.8 million, approximately \$1 million in community nonprofit capital requests, a new maintenance and replacement project for the Fire Rescue system, which was a two-phase project, with Phase one beginning in fiscal year 31, at a cost of \$2 million., and the Northern Convenience Center, although its construction had been delayed from Fiscal Year 27 to Fiscal Year 28, primarily due to an operating impact of over half a million dollars; this delay presented a challenge in the budget outlook.

Mr. Bowman stated that ongoing programs continued to be a major part of the CIP, with 55% coming from this category, primarily school maintenance and replacement. He said that the revenues that made up the CIP were primarily borrowed proceeds and cash equity, with the latter being one-time money from the Board of Supervisors or School Board. This year, state revenue and local revenue were larger than usual due to the Boulders Road project and the state and AstraZeneca contributions for that road. He said that the Board's ability to move cash equity and borrowed proceeds was what could be moved, whereas state revenues and local revenues tended to be tied to specific projects. On the expenditure side, Public Schools continued to be the majority of the CIP, at 54%, although he would clarify that it was separate from the revenue allocation.

Mr. Bowman stated that Community Development was larger this year due to the Boulders Road project. He said that the CIP aligned with the Board's six strategic goals, which had been a part of every budget presentation since the strategic plan was adopted. The highlights for the Schools included the Northern Feeder Pattern, designed in Fiscal Year 27 and constructed in Fiscal Year 28, with a planned opening in a future fiscal year. He said that the fully funded green boxes were ongoing programs, and the school's placeholder of \$8 million by the reprioritized renovation funding was scheduled for year five.

Mr. Bowman stated that the County government's side totaled \$160 million. He said that Ms. Malcolm would provide a high-level overview of these projects, but he would like to draw the Board's attention to the following: in years three through five for the Schools, there were maintenance

replacement and placeholders. Similarly, for County government, years four and five featured maintenance replacement and placeholders. He said that this highlighted the impact of growing debt, which was constraining the ability to move forward on other capital projects. The 10% by formula was increasingly funding the annual debt service payment cost.

Ms. Katelyn Malcolm, Chief of Budget, stated that she would provide details regarding the specific projects included in the recommended CIP. She said that regarding the Boulders Road project, this included revenue from the state, the developer, and local government, and its construction would extend Boulders Road to Route 29, supporting Rivanna Station and the Rivanna Futures property. On Transportation, this budget item was \$18 million, with funding allocated in Fiscal Year 27 and Fiscal Year 29. She explained that the idea behind the Transportation budget was to have a set amount of funding that was flexible and consistent to support high-priority transportation projects and initiatives for the County.

Ms. Malcolm stated that these types of projects were typically high-cost projects that required significant financial commitment to develop and implement over time. Several projects were included in the current CIP, and the Board would have the opportunity to review and prioritize projects in Fiscal Years 31 and 32, in collaboration with the Community Development Department (CDD). She said that to provide more detail, the County could apply for funding through various state and federal programs every other year.

For example, there was the Transportation Alternatives Program (TAP) and Smart Scale, which were both competitive grant programs. The other was the Virginia Department of Transportation (VDOT) Revenue Sharing Program, which was less competitive and allowed for transportation improvements, providing a dollar-for-dollar match for participating localities up to \$10 million. She noted that the budget book included information on projects in the Transportation Leveraging Program that were still carrying a balance from prior fiscal year appropriations. These included the U.S. 250 Pantops Corridor, the Berkmar Extension to Airport Road, the Berkmar Shared Use Path Extension, Commonwealth Dominion Drive, the Old Lynchburg Road Project, and Hydraulic Road Lambs Lane. Funds for these projects would continue to be appropriated as required in the Board's normal business.

Ms. Malcolm said that regarding the Northern Convenience Center, the concept was to construct a solid waste convenience center in the northern part of the County, similar to the one built a few years ago in the southern part of the County. The County had already funded the design of the project, which had been completed in FY25. The CIP still had the construction costs, which were being pushed from FY27 to FY28, and was estimated to be \$1.3 million. Staff was recommending this delay to allow for another fiscal year to plan for the operating impacts of the facility, which were estimated to be around \$500,000 per year.

Ms. Malcolm stated that the next project she would discuss was the Central Library renovation. This project included \$10.5 million for the main branch, which was also the regional headquarters of the Jefferson-Madison Regional Library (JMRL) system. The building was co-owned by the County and the City of Charlottesville, with the County contributing 57% of the circulation. The CIP project included the County's share of the renovation costs, contingent on the City meeting the County's funding amount and having an approved Memorandum of Understanding (MOU) with the City pursuant to the regional library agreement.

Ms. Malcolm said that the library would utilize other funding sources to support the renovation project. Specifically, the City and County had agreed that their portions of the funding would cover the costs of adding public space, including additional meeting rooms, technology upgrades, and youth services. She said that other aspects of the renovation, such as plumbing, electrical, security, networking, and HVAC, which were crucial to the building's infrastructure, were also included. She stated that the \$10.5 million figure represented the total budget, broken down into design work in FY27 and construction planning for FY29.

Ms. Malcolm said that the athletic fields at Darden Towe were a phased rebuild of the existing grass athletic fields at Darden Towe Park, which had been completed over a four-year period starting in FY25. She said that in FY27, the total project cost was \$800,000. Notably, the County covered 69% of this project, while the City covered 31%.

Ms. Malcolm stated that finally, there was \$1.4 million for workplace facility renovations to County Office Buildings at McIntire Road and Fifth Street Extended. This was initial work to implement the recommendations from the space utilization study that was conducted a few years ago as part of this plan for the facilities, and that was scheduled for FY27. She stated that additionally, they had the \$12.8 million allocated to the CIP over two years, placed in FY31, was a placeholder for the board's determination at a future date.

Ms. Malcolm said that next, she would like to cover the Community Non-Profit Capital Process, which applied to non-profit agencies. For a brief history, in the fall of 2022, the Board established this process to create a more formal process for community non-profits to request capital funding from the County. In the summer of 2023, staff and the Board further refined this process, and it continued to be refined, similar to the Human Services Funding Process and the arts and cultural agencies. There were eight criteria that non-profits must meet to be considered for funding.

Ms. Malcolm noted that in addition to the specific criteria for this project, the organization must meet all the existing eligibility criteria for arts and cultural and human services funding. This included

undergoing an audit and having a program in place for two or more years. For this specific funding, they were looking for projects that were in alignment with the County's overall CIP. This included shovel-ready projects, projects leveraging funding from multiple sources, and projects meeting a community need that the County may otherwise need to address. She added that the recommended projects must increase services provided to County residents, rather than just maintaining existing services.

Ms. Malcolm stated that staff had recommended five projects for funding in the FY27-FY31 CIP, with four recommended for funding in FY27 and one in FY28 and FY29. The first was Bennett's Village, with \$250,000 in FY27 allocated for the physical construction costs of the next phase of the All Abilities Multigenerational Play and Recreation Space. The next was the Dogwood Vietnam Memorial, recommended for funding in FY27, which would help establish the pedestrian bridge and parking area adjacent to the memorial. The third was the Salvation Army, proposed for half of its funding in FY28 and the other half in FY29, totaling \$500,000 across the two years. This funding would support the design and construction of the new emergency low barrier shelter. The total project was estimated to be 42,000 square feet and would provide emergency shelter for the unhoused.

Ms. Malcolm said that next was the Stony Point Volunteer Fire Company, which would receive \$50,000 to replace the facility's existing roof with a more energy-efficient system, protecting the building and equipment housed within the station. Lastly, the Town of Scottsville was recommended for \$87,000 in FY2027, which would cover repairs to the levee system, including concrete repairs and ceiling work on both the levee wall and the pump house.

Ms. Duncan asked if the County was only providing the Salvation Army with \$500,000 out of the \$28,000,000 cost of their project.

Ms. Malcolm confirmed that was correct; that was the full request from the Salvation Army.

Ms. Mallek asked if staff could provide any additional information on leveraging funding for any of these projects. She said that she would like to know if these projects had outside funding from other sources or if the County was paying for all of it. She said that the Dogwood Vietnam Memorial was intended to be split equally between the City and the County, in addition to state funding.

Ms. Malcolm stated that their recommendation was consistent with the City's recommendation. She confirmed that staff did have detailed information on the project costs, requests from the County, and funding from other sources.

Mr. Pruitt asked if staff could provide follow-up information on the delta between the request and the recommended funding amount for Scottsville. He said that also, he would like to know how their capacity related to annual off-loading and what their capacity would be for ongoing programs and capital expenses such as future phases of Biscuit Run. He said that it was a longer-term question, but he would like to know for future planning purposes.

Mr. Pruitt said that on another topic, they had previously discussed the distinction between general obligation bonds versus traditional bonds and the potential impact on affordability. He said that he recognized that this was not a question for the current budget cycle, but it was also worth considering for future budgets as well as for their legislative priorities. He said that other states could issue general obligation bonds without going through referenda, which meant localities could do the same for ongoing capital projects, making it a potentially prudent approach to consider. He said that currently, they were statutorily limited from doing so due to state regulations.

Mr. Missel agreed with Mr. Pruitt that he would like to know how big of a corner they were painting themselves into.

Mr. Bowman said that he believed that was part of the strategy behind having these placeholders. He said that by not immediately programming them, they could buy time for the Board and avoid matching the increased investment in this CIP with the five major projects in years six through ten. He said that so, they could begin to plan for alternative scenarios. He said that they could start by exploring the possibilities and the art of the possible. He said that they would certainly continue that conversation beyond this budget season.

Mr. Jeff Richardson, County Executive, said that one additional point he would like to make is related to Mr. Pruitt's discussion on offloading. He said that Ms. Mallek had mentioned when she joined the Board in 2008, during the national recession, that the County had reduced positions, including Schools, which put them in a survival mode, similar to many other Counties and Cities. He said that the debt that would have been issued at that time would have been taken on 20-year debt. He said that the debt was never issued, so it would be interesting to analyze its impact from years six through ten. He said that he believed this was crucial for the Board to consider in terms of off-loading and the capacity they may have. It was important for them to model it in order to understand not only the effect of the industry at Rivanna Station and AstraZeneca but also the capacity to fill in other gaps, which would be particularly challenging for some time, not just in the first five years.

Mr. Gallaway stated that regarding the debt service as a percentage of General Fund and School Fund revenues, it was modeled with the AstraZeneca project coming in, which would help diversify their tax base. He said that he wanted to clarify that AstraZeneca was not the end of that initiative for the County; it was the first industry. He said that this single user justified the purchase of the property in the long run, but there was still acreage on that site that was available, and every new project that came to

the County would help drive that modeling for future years. He stated that it may simply shift the burden off of residential real estate, but it also may help their capacity, which was not in the model yet. He stated that if they received greater revenues from large projects in the future, the possibilities for out-years may expand. He stated that there were also many other sites in the County that may contribute to that.

Mr. Gallaway said that regarding transportation leveraging, this was a frustrating aspect of County infrastructure, similar to the Schools' issues with renovations and additions. He stated that they had a large number of transportation priorities that would never be funded based on the current funding from the state. He stated that their CIP must contend with that, because it was unlikely there would be any changes at the state level in the near term.

Ms. Mallek said that when discussing future school projects, the 1% sales tax from the state would determine whether new and old payment construction, with a prohibition against supplanting. She said that it meant they should not make any official plans or commitments with schools because the sales tax could not be used for those projects.

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

There were none.

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

There were none.

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Agenda Item No. 5. Adjourn to March 18, 2026, 1:00 p.m., Lane Auditorium.

At 8:32 p.m., the Board adjourned its meeting to March 18, 2026, 1:00 p.m., Lane Auditorium.

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Chair

Approved by Board
Date 06/03/2026
Initials CKB