

A regular meeting of the Board of Supervisors of Albemarle County, Virginia, was held on December 11, 2024, at 1:00 p.m. in Lane Auditorium, Second Floor, Albemarle County Office Building, 401 McIntire Road, Charlottesville, Virginia, 22902.

PRESENT: Mr. Jim H. Andrews, Mr. Ned Gallaway (left at 3:41 p.m.), Ms. Beatrice (Bea) J.S. LaPisto-Kirtley, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, and Mr. Mike O. D. Pruitt.

ABSENT: none.

OFFICERS PRESENT: County Executive, Jeffrey B. Richardson; Interim County Attorney, Andy Herrick; Clerk, Claudette K. Borgersen; and Senior Deputy Clerk, Travis O. Morris.

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

Mr. Andrews introduced the Albemarle County Police Department Officers present to provide their services at the meeting, Lieutenant Angela Jamerson and Master Police Officer Dana Reeves.

Agenda Item No. 2. Pledge of Allegiance.
Agenda Item No. 3. Moment of Silence.

Agenda Item No. 4. Adoption of Final Agenda.

Mr. Andrews said that he had heard no suggested changes to the agenda and asked for a motion.

Ms. Mallek **moved** to adopt the final agenda. Ms. McKeel **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

Agenda Item No. 5. Brief Announcements by Board Members.

Mr. Pruitt said that this was their final meeting before the holidays, and during the holidays, many people traveled a lot. He said that it was also a time when individuals were often in close proximity to one another, and the weather could weaken people's immune systems. He said that they were no longer in a public health emergency, where the County, state, or other public bodies had imposed strong restrictions on individuals, but he would like to remind the public that it was always a good idea to practice smart public health measures. He said that people should be mindful of whether or not they wore a mask, if they were feeling well, and the proximity in which they moved around people, and ensure that they were feeling well before traveling and visiting elderly family members.

Mr. Gallaway said that in the same context, people were often close together in their cars. He said that with people out shopping, the next couple of weeks could be a particularly busy time on the roadways, in addition to the already heavy traffic. He asked that everyone exercise patience and take their time moving around to ensure everyone's safety.

Ms. Mallek said that a five-minute delay in the trip was well worth it to ensure safe travel. She said that getting a ticket would only make it take longer, causing one to spend even more time sitting beside the road and ultimately leading to being late.

Ms. Mallek said that on Saturday, she was looking forward to the Biscuit Run and the ribbon-cutting ceremony at 10 a.m. She said that at noon, there would be a Wreaths Across America event at the Vietnam Memorial on McIntire. She said that people from all across the United States would be gathering at cemeteries to place wreaths on the markers. She said that everyone was invited to join in, and for parking she recommended, coming in through the skate park and drive around to the top of the hill, then walking down to the memorial.

Agenda Item No. 6. Proclamations and Recognitions.

There were none.

Agenda Item No. 7. From the Public: Matters on the Agenda but Not Listed for Public Hearing or on Matters Previously Considered by the Board or Matters that are Pending Before the Board.

Ms. Vikki Bravo, representing IMPACT (Interfaith Movement Promoting Action by Congregations Together), said she was there to discuss the Affordable Housing Trust Fund, a topic they began talking with the Board about in 2017. She said since then, they had received hundreds of stories from their congregations highlighting the pressing need for affordable housing. She said she would like to share a

few examples with the Board.

Ms. Bravo said that one person had a friend who was struggling to afford the maintenance for her home, but her family had been able to support her, letting her stay in her home. She said without that family support, she would have had nowhere else to go.

Ms. Bravo said that a florist could not afford to live in the County and had to find housing under the table. She said that a couple of mothers in abusive marriages were at risk of losing housing if they separated or divorced, because they had children and would want to keep them in the same school district. She said that there were homeless families living in cars or sleeping on couches when possible.

Ms. Bravo said this problem had worsened since 2017, and they had discovered recently that there were enough homeless children in the County to fill a middle school. She said that their research had shown that affordable housing trust funds were the best practice nationally. She said that the fund in Charlottesville had helped construct over 2,000 affordable homes. She said that in July 2021, the Board implemented a new housing policy, which included the establishment of an affordable housing trust fund.

Ms. Bravo said that IMPACT was advocating for the Affordable Housing Trust Fund to be activated immediately and funded with \$10 million annually. She said that the sooner the trust fund was established, the sooner the County could qualify to access additional funds that can be leveraged. She said that by having this fund in place, it unlocked other funding opportunities.

Ms. Leonora Crane, White Hall District, said that she had a couple of concerns regarding the AC44 Comprehensive Plan. She said that after spending the past couple of weeks reviewing the development plan, she noticed that it mentioned an expected 31,000 new residents in the area, but she did not see any analysis on how the proposed upzoning and infill zoning would meet this demand.

Ms. Crane said that she would like to emphasize that the County not only faced the challenge of accommodating the additional residents, but also many employees in the area who could not afford to live in the County. She asked that the supervisors visit local businesses and speak with service workers about the housing situation. She said that she had personally known many workers who were unable to live in the County, instead living in Waynesboro or Staunton.

Ms. Crane said that in an area where the median income was \$47,000, but the cheapest rent available in Crozet was \$1,700, a significant portion of the County remained unaffordable to all low-income individuals and many middle-income workers. She said that to address this issue, AC44 should significantly increase density in growth zones, particularly in employment centers.

Ms. Crane said the County should invest more in affordable housing incentives and allowances. She said that the County should consider establishing a land bank or land trust. She said that the County should eliminate parking minimums and invest more in public transit to reduce the County's carbon footprint.

Agenda Item No. 8. Consent Agenda.

Mr. Andrews said that he had not heard of any suggestions to pull anything from the consent agenda and asked for a motion.

Ms. McKeel **moved** to approve the consent agenda. Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

Item No. 8.1. Purchasing Manual Update.

The Executive Summary forwarded to the Board states that Albemarle County's most recent Purchasing Manual was adopted by the Board of Supervisors in October 2018, and amended in March 2020, August 2021, and September 2022. It governs County government and public school procurement in accordance with the Virginia Public Procurement Act (VPPA).

Following an extensive review of the Manual, staff from the Office of Procurement embarked on a redraft of the entire document. Having completed a new draft in Fall 2024, staff recommend the adoption of this updated version of the Manual, which 1) aligns County policies with recent revisions to the VPPA, 2) reflects current best practices, and 3) increases the clarity of the Manual's content.

Staff recommends that this proposed revised Manual be adopted with an effective date of April 1, 2025, to coincide with the implementation of the new financial management system. Differences between the current and proposed version of the Manual are listed in Attachment A. The most notable changes include:

Changes intended to align the Manual with amendments to the VPPA:
- Increase the small purchase threshold from \$100,000 to \$200,000.

- Increase the non-transportation construction threshold to require solicitation from \$100,000 to \$300,000

Changes intended to implement best practices:

- Creating an independent chapter covering ethics in public procurement.
- Designating specific responsibilities to participants in the procurement process.
- Language directing the purchasing agent to monitor Small, Women-owned, and Minority-owned (SWaM) business participation in County procurement.
- Language that encourages using departments to have diversity in procurement evaluation committees.

Changes intended to improve readability and content clarity:

- Creating an independent definitions chapter; referring to the Virginia Code for terms defined therein.
- Adding in-text references to the Virginia Code (with hyperlinks to the Legislative Information System website) for ease of legal reference.
- Adding in-text hyperlinks to County or external resources when referenced in the Manual.
- Consolidating information regarding the competitive sealed bidding process from six chapters into one.
- Consolidating information regarding the competitive negotiation process from eight chapters into one.
- Consolidating information regarding common exemptions from competitive procurement requirements from three chapters into one.
- Removing language on best practice that is purely descriptive and does not describe County policy or provisions of the VPPA.
- Line edits for concision and clarity throughout the Manual.
- Rearranging the order of Manual chapters.

The updated Purchasing Manual in its entirety is included as Attachment B.

No budget impact is expected, although it is reasonable based on these changes that there will be increased efficiencies for the time of staff and customers who utilize the Manual.

Staff recommends that the Board adopt the attached Resolution (Attachment C) to adopt the updated Albemarle County Purchasing Manual with an effective date of April 1, 2025 to coincide with the implementation of the new financial management system.

By the above-recorded vote, the Board adopted the attached Resolution (Attachment C) to adopt the updated Albemarle County Purchasing Manual with an effective date of April 1, 2025 to coincide with the implementation of the new financial management system:

RESOLUTION TO AMEND AND RE-ADOPT THE ALBEMARLE COUNTY PURCHASING MANUAL

WHEREAS, the County of Albemarle Purchasing Manual ("Manual") delineates the requirements of the Virginia Public Procurement Act and the methods and procedures that best enable the County to procure the highest quality goods and services at a reasonable cost and in an efficient, fair, and competitive manner; and

WHEREAS, the Manual was last amended on September 7, 2022; and

WHEREAS, the Board finds it is in the best interests of the County to amend the Manual to ensure that the County is able to procure goods and services in a way that is fair, impartial, administratively efficient, in alignment with state law, and accessible to all qualified vendors.

NOW, THEREFORE, BE IT RESOLVED that the Albemarle County Board of Supervisors hereby amends and re-adopts the Albemarle County Purchasing Manual as reflected in Attachment B, effective April 1, 2025.

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The Purchasing Manual is on file in the Clerk's Office.

Item No. 8.2. Schedule a Public Hearing on a Proposed Lease of a Portion of Yancey Community Center Property.

The Executive Summary forwarded to the Board states that the County-owned Yancey Community Center includes a County-owned and -operated water treatment facility on Parcel 128A2-22 (7661 Porters Road). This property is ideal for the placement of a communications hut to support the grant-funded project for fiber broadband internet in the area. The grant awardee approached the County with a request to lease a portion of the property. Specifically, the proposed lease would be for a 3,220 square foot portion of the property (plus a temporary construction easement and land required for permanent erosion and sediment control facilities) for nominal rent of one dollar per year over an initial term of 50 years, renewable at the tenant's option for up to four successive 10-year terms. This proposed lease of County property would require a public hearing.

For the fiber project supporting Keene and Esmont, Firefly Fiber Broadband is requesting the lease of a small area near the water treatment facility for the Yancey Community Center. If the lease were approved, Firefly Fiber Broadband would build a small secure structure at its expense to contain sophisticated fiber switching equipment. This proposed lease would require an advertised public hearing.

The proposed lease includes nominal rent of one dollar per year.

Staff recommends that the Board authorize advertising a public hearing to consider a proposed lease of portion of land adjacent to the Yancey Community Center water treatment facility to Central Virginia Services, Inc., an affiliate of Firefly Fiber Broadband.

By the above-recorded vote, the Board authorized the Clerk to schedule a public hearing to consider a proposed lease of portion of land adjacent to the Yancey Community Center water treatment facility to Central Virginia Services, Inc., an affiliate of Firefly Fiber Broadband.

Item No. 8.3. Schedule a Public Hearing for Spot Blight Ordinance for 5624 Brownsville Road, Parcel ID 05600-00-00-026E1.

The Executive Summary forwarded to the Board states that blighted and deteriorated properties can have negative safety, economic, and environmental impacts on properties and neighborhoods, resulting in unsafe communities and other public nuisances.

"Blighted property" is defined as a structure or improvement that is dilapidated or deteriorated because it violates minimum health and safety standards (Virginia Code § 36-3). Though blight is more often considered in the context of Development Areas; it exists also in the Rural Area.

The Community Development Department (CDD) currently administers several regulations that relate to blight and building maintenance: uncontrolled vegetation (County Code § 7-501 et seq.), stagnant water (County Code § 7-505 et seq.), inoperable vehicles (County Code § 9-500), trash and refuse (County Code § 13-302), safety/health-related upkeep of residential rental properties (Virginia Uniform Statewide Building Code (USBC) § 104.1), unsafe buildings and structures (County Code § 5-300 et seq.), and Zoning Ordinance provisions that prohibit junk yards (County Code § 18-5.1.10).

On April 6, 2016, the Board authorized staff to address problem properties using the County's spot blight abatement authority enabled by Virginia Code § 36-49.1:1.

On December 1, 2021, the Board directed staff to continue to pursue spot blight abatement using the County's current authority and to report back on the results. Since that time, seven properties have been investigated, with six properties identified as possibly blighted. On March 20, 2024, the Board adopted spot blight ordinances on three of those properties. By June 24, 2024, the blighted structures on all three of those original properties had been demolished.

The current item is to request the scheduling of a public hearing on a spot blight ordinance for 5624 Brownsville Road (Parcel ID 05600-00-00-026E1) in keeping with existing practice. Staff identified this property as a "blighted property," and initiated the required steps to abate the identified blight. Specifically, the County Building Official made a preliminary determination that the property was blighted and sent notice to the property owners specifying the reasons why the property was blighted. Because the property owners failed to respond within 30 days with a written spot blight abatement plan acceptable to the County Executive's designee, staff is requesting that the Board schedule and advertise a future public hearing to consider an ordinance declaring this property to be blighted.

Staff has engaged with the property owner on an abatement plan that includes the following items to be corrected by the owner: "The work is to include the razing of the structure, removal of debris to an authorized facility, and grading/seeding the disturbed area."

If the Board authorizes a public hearing, staff would generate the necessary information, including a cost estimate for this work. In addition, CDD would work with the Department of Finance and Budget to determine a funding source and recommendation.

This agenda item, if approved, would authorize the scheduling of a public hearing on a spot blight ordinance for 5624 Brownsville Road, Parcel ID 05600-00-00-026E1.

Abatement costs for 5624 Brownsville Road, Parcel ID 05600-00-00-026E1 would be presented at the public hearing, if a public hearing is approved.

Staff recommends that the Board authorize a public hearing on a spot blight abatement ordinance for 5624 Brownsville Road, Parcel ID 05600-00-00-026E1.

By the above-recorded vote, the Board authorized the Clerk to schedule a public hearing on a spot blight abatement ordinance for 5624 Brownsville Road, Parcel ID 05600-00-00-026E1.

Item No. 8.4. SE202400025 North Pointe Wendy's.

The Executive Summary forwarded to the Board states that the applicant requests two special exceptions in association with a proposed Wendy's restaurant and drive through at North Pointe:

1. The first special exception is to vary a yard requirement of the approved application plan for ZMA200000009. For properties around the perimeter of the development, the application plan requires a 20' minimum setback from the property line to any parking or travelway. Under County Code § 18-8.5.5.3(a)(1), the Board of Supervisors may grant a variation to an approved plan, code, or standard for minor changes to yard requirements. The proposed variation would reduce the minimum setback from the property line to any parking or travelway from 20' to 7' to construct a parking lot (Attachment A).
2. The second special exception is to modify supplemental regulations for a drive-through lane. Under Albemarle County Code § 18-5.1.60(c), no portion of a drive-through lane may be located within 50 feet of a residential district, the Rural Areas district, the Monticello Historic district, or any part of a planned development district allowing residential uses. However, Albemarle County Code § 18-5.1(a) allows the Board of Supervisors to modify or waive any requirements of § 18-5.1. The proposed special exception would reduce the 50' requirement to 46' to accommodate a drive-through lane (Attachment A).

A detailed staff analysis is provided in Attachment B.

Based on these findings, staff recommends that the Board adopt the attached Resolution (Attachment C) to approve the variation and modification to require that:

1. The travelway have a minimum setback of 7' from adjacent property line to any parking or travelway.
2. The drive-through lane have a minimum setback of 46' from the adjacent Rural Areas district.

By the above-recorded vote, the Board adopted the attached Resolution (Attachment C) to approve the variation and modification to require that the travelway have a minimum setback of 7' from adjacent property line to any parking or travelway and the drive-through lane have a minimum setback of 46' from the adjacent Rural Areas district:

**RESOLUTION TO APPROVE SE202400025
NORTH POINTE WENDY'S**

WHEREAS, upon consideration of the staff reports prepared for SE202400025 North Pointe Wendy's and the attachments thereto, including staff's supporting analysis, any comments received, and all relevant factors in Albemarle County Code §§ 18-8.5.5.3(a)(1) and 18-33.9(A), the Albemarle County Board of Supervisors hereby finds that the proposed parking setback variation:

- (i) is consistent with the goals and objectives of the comprehensive plan;
- (ii) does not increase the approved development density or intensity of development;
- (iii) does not adversely affect the timing and phasing of development of any other development in the zoning district;
- (iv) does not require a special use permit; and
- (v) in general accord with the purpose and intent of the approved application; and

WHEREAS, also upon consideration of the staff reports prepared for SE202400025 North Pointe Wendy's and the attachments thereto, including staff's supporting analysis, any comments received, and all relevant factors in Albemarle County Code §§ 18-5.1(a) and 18-33.9(A), the Albemarle County Board of Supervisors hereby also finds that a modified drive-through lane regulation would satisfy the purposes of the Zoning Ordinance to at least an equivalent degree as the specified requirement.

NOW, THEREFORE, BE IT RESOLVED that the Albemarle County Board of Supervisors hereby approves special exception SE2024-00025 both:

- a) to vary the minimum required setback for parking on Parcel ID 03200-00-00-02000 from 20 feet to seven feet, and
- b) to modify the minimum required setback from the Rural Areas zoning district for a drive-through lane on Parcel ID 03200-00-00-02000 from 50 feet to 46 feet.

Item No. 8.5. SE202400028 Old Dominion Village - Arrangement of Buildings.

The Executive Summary forwarded to the Board states that under County Code §18-8.5.5.3(a)(2), the Board of Supervisors may grant a variation of an approved plan, code, or standard for the changes to arrangement of buildings and uses shown on the plan, provided that the major elements shown on the plan and their relationships remain the same. The applicant requests a variation to change the arrangement of buildings in the approved application plan and code of development for Old Dominion Village approved with ZMA202000005. The proposed variation is to move two units from the Neighborhood Density Residential (NDR) area to the Urban Density Residential (UDR) area. The revised UDR area would then allow a maximum of 56 units and the revised NDR area a maximum of 54 units, for a total of 110 maximum units throughout the development. (Attachment A)

A detailed staff analysis is provided as Attachment B.

Staff recommends that the Board adopt the attached Resolution (Attachment C) to approve the variation to allow the change in arrangement of buildings in the approved application plan to shift two units from the NDR area to the UDR area.

By the above-recorded vote, the Board adopted the attached Resolution (Attachment C) to approve the variation to allow the change in arrangement of buildings in the approved application plan to shift two units from the NDR area to the UDR area:

**RESOLUTION TO APPROVE SE SE202400028
OLD DOMINION VILLAGE – ARRANGEMENT OF BUILDINGS**

WHEREAS, upon consideration of the staff reports prepared for SE202400028 Old Dominion Village – Arrangement of Buildings and the attachments thereto, including staff's supporting analysis, any comments received, and all relevant factors in Albemarle County Code §§ 18-8.5.5.3 and 18-33.9(A), the Albemarle County Board of Supervisors hereby finds that the proposed variation:

- (i) is consistent with the goals and objectives of the comprehensive plan;
- (ii) does not increase the approved development density or intensity of development;
- (iii) does not adversely affect the timing and phasing of development of any other development in the zoning district;
- (iv) does not require a special use permit; and
- (v) is in general accord with the purpose and intent of the approved application.

NOW, THEREFORE, BE IT RESOLVED that the Albemarle County Board of Supervisors hereby approves variation SE2024-00028 to vary the Old Dominion Village Code of Development approved in conjunction with ZMA202000005 to change the arrangement of buildings on Parcels 05600-00-00-067B0 and 05600-00-00-074A0.

Item No. 8.6. SE202400029 Old Dominion Village - Setbacks.

The Executive Summary forwarded to the Board states that under County Code §18-8.5.5.3(a)(1), the Board of Supervisors may grant a variation of an approved plan, code, or standard for minor changes to yard requirements, build-to lines or ranges, maximum structure heights and minimum lot sizes. The applicant requests a variation to vary the Old Dominion Village Code of Development approved in conjunction with ZMA202000005 (Attachment A). The proposed variation is to reduce the 15' front minimum setback on side roads to 5' for the following corner lots: Lot 1, 6, 12, 27, 81, 95, and 110.

A detailed staff analysis is provided in Attachment B.

Staff recommends that the Board adopt the attached Resolution (Attachment C) to approve a variation to reduce the front minimum setback on side roads from 15' to 5' for the following corner lots: Lot 1, 6, 12, 27, 81, 95, and 110.

- For Lot 1, Lot 27, and Lot 95, the front minimum setback from Capella Road would be reduced to 5'.
- For Lot 6 and Lot 12 the front minimum setback from Sirrah Lane would be reduced to 5'.
- For Lot 110, the front minimum setback from Sirrah Road would be reduced to 5'.
- For Lot 81, the front minimum setback from Altair Road would be reduced to 5'.

By the above-recorded vote, the Board adopted the attached Resolution (Attachment C) to approve a variation to reduce the front minimum setback on side roads from 15' to 5' for the following corner lots: Lot 1, 6, 12, 27, 81, 95, and 110.

- **For Lot 1, Lot 27, and Lot 95, the front minimum setback from Capella Road would be reduced to 5'.**
- **For Lot 6 and Lot 12 the front minimum setback from Sirrah Lane would be reduced to 5'.**
- **For Lot 110, the front minimum setback from Sirrah Road would be reduced to 5'.**
- **For Lot 81, the front minimum setback from Altair Road would be reduced to 5'.**

**RESOLUTION TO APPROVE SE SE202400029
OLD DOMINION VILLAGE -- SETBACKS**

WHEREAS, upon consideration of the staff reports prepared for SE202400029 Old Dominion Village --Setbacks and the attachments thereto, including staff's supporting analysis, any comments received, and all relevant factors in Albemarle County Code §§ 18-8.5.5.3 and 18-33.9(A), the Albemarle County Board of Supervisors hereby finds that the proposed variation:

- (i) is consistent with the goals and objectives of the comprehensive plan;
- (ii) does not increase the approved development density or intensity of development;
- (iii) does not adversely affect the timing and phasing of development of any other development in the zoning district;
- (iv) does not require a special use permit; and
- (v) is in general accord with the purpose and intent of the approved application.

NOW, THEREFORE, BE IT RESOLVED that the Albemarle County Board of Supervisors hereby approves special exception SE2024-00029 to vary the Old Dominion Village Code of Development

approved in conjunction with ZMA202000005 to reduce the minimum front setbacks on side roads on Lots 1, 6, 12, 27, 81, 95, and 110 of Parcels 05600-00-00-067B0 and 05600-00-00-074A0 to five feet.

Item No. 8.7. VDOT Monthly Report (December) 2024, ***was received for information.***

Agenda Item No. 9. **Action Item:** Fiscal Year 2024 Annual Comprehensive Financial Report and Audit Results.

The Executive Summary forwarded to the Board states that each year, the Board of Supervisors is presented an audited Annual Comprehensive Financial Report for the Board's review and acceptance, in accordance with Virginia Code §15.2-2511.

At its meeting, the Board will be presented the recently completed Fiscal Year 2024 (FY 24) Annual Comprehensive Financial Report. The Annual Comprehensive Financial Report contains a detailed accounting of the County's financial operations for the fiscal year.

Highlights of the Annual Comprehensive Financial Report include:

1. The Transmittal Letter to the Board and community, providing a summary of the County's geographic, demographic, economic, and financial features.
2. The Independent Auditor's Report, which states the auditor's opinion on the fair presentation of the County's respective financial position as of June 30, 2024.
3. The Management's Discussion and Analysis, providing a summary of the County's financial activity for the fiscal year.
4. A determination as to the County's FY 24 financial position's compliance with fund balance and debt policies.
5. Detailed information about the County's financial activity for the fiscal year, including statistical tables that provide historical economic and demographic information, as well as the auditor's Compliance Report.

The Annual Comprehensive Financial Report was presented to the Board's Audit Committee at its meeting on November 25, 2024, by Brown Edwards, the County's external auditing firm.

There is no budget impact related to the presentation and acceptance of the FY 24 Annual Comprehensive Financial Report.

Staff recommends that the Board accept the FY 24 Annual Comprehensive Financial Report.

Ms. Shenandra Usher, Assistant Chief Financial Officer, introduced Megan Argenbright, the County's Managing Partner from Brown Edwards, the County's auditing firm. She thanked Mr. Jacob Sumner, CFO, and other staff listed on the slide who helped with the report, and she had them stand in the audience.

Ms. Usher said she would provide an overview of the report. She said that the report was delineated into basic sections, and these sections included the introductory section, the financial section, the statistical section, and the compliance section.

Ms. Usher said that the introductory section included the table of contents, the letter of transmittal, the organizational chart, a list of principal officials, and the Government Finance Officers Association (GFOA) Certificate of Achievement Award, if granted. She said the financial section was comprised of five segments. She said it included the independent auditor's report, the management's discussion and analysis, basic financial statements with accompanying notes, required supplemental information, and other supplemental information.

Ms. Usher said the basic financial statements consisted of two types: government-wide financial statements and fund financial statements. She said that the government-wide financial statements covered governmental activities and business-like activities, including the activities of the component unit, which would be their partner entities. She said that the fund financial statements provided financial reporting on the County's major and non-major funds, internal service funds, investment funds, and custodial funds. She said fund financial statements focused on near-term inflows and outflows of spendable resources at the end of the fiscal year.

Ms. Usher said that the statistical section was divided into five categories, including financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information. She said that the compliance section included the independent auditor's report on internal controls over financial reporting and compliance, the schedule of expenditures of federal awards, and the schedule of findings for the current year and prior year.

Ms. Usher said she would review the FY24 general fund revenues. She said the County had a

2.6% positive variance, resulting in \$10.7 million overall. She said that this variance was largely attributed to a \$10.5 million positive property tax variance, driven by real estate tax growth, increased assessments, improved collection rates, and the first half of the 2024 personal property tax assessments, which saw a rate increase to 54 cents per \$100 of assessed value.

Ms. Usher said that they had a positive \$2.2 million variance in other local taxes. She said that this was strongly driven by utility tax and business tangible personal property tax. She said that the use of money and property had a positive variance of \$926,000, which was mainly due to the high interest rates. She said that transfers in were mainly due to the Water Resource Fund, tourism revenues connected with Parks and Recreation, and the Federal Housing Assistance Fund.

Ms. Usher said that the FY24 general fund expenditures showed an overall savings of \$17.3 million, a 4% positive variance. She said that of the savings, \$6.2 million was mostly in salary and benefits, with the most notable savings being in Information Technology, Department of Finance and Budget, and Human Resources. She said that within the General Government, a large portion of the savings was for the Business Optimization Reserve, which was reappropriated into the current fiscal year.

Ms. Usher said that for health and welfare, the actual activity for social services was less than they budgeted due to these expenditures being reimbursed by the state, which correlated to less revenue being received on the previous slide. She said that there was a new line item labeled "Leases and SBITAs", which was related to GASB (Governmental Accounting Standards Board) pronouncements from previous years that they had implemented this year. She said that SBITA stood for Subscription-Based Information Technology Agreements. She said that the fees were reported here because the amounts were pulled from the functional areas based on GASB reporting requirements. She said that in the actual statements it was referred to as debt service.

Ms. Usher said that transfers out were predominantly capital improvement projects and debt service. She said that on the next slide, they will see the excess of revenues over expenditures, which was equivalent to \$6.5 million. She said that this was also the net change in fund balance, which, when added to the fund balance at the beginning of the year of \$91.3 million, landed them at \$97.8 million in fund balance.

Ms. Usher said that for FY24, the fund balance was categorized into three categories as defined by the GASB. She said that these categories were non-spendable, committed, and unassigned. She said that the non-spendable category included the balance of their inventory, prepaids, and net leases receivables. She said that the committed funds were those already approved by the Board for future use in all functional areas, which includes the Conferences and School Reserve Fund balance. She said that the unassigned category were funds for future use, including the policy use of fund balance, which included the 10% fund balance reserve, 2% budget stabilization reserve, and reappropriations.

Ms. Megan Argenbright, the partner in the County's audit from Brown Edwards, said that they had issued a clean, unmodified opinion, which was the outcome that the County wanted. She said that they had issued the final report and would be submitting the last piece of this to the APA today. She said that there were two more Brown Edwards reports. She said the first was the yellow book opinion, which was an in-relation-to opinion regarding internal controls. She said that they were required to get an understanding of the internal controls, although they did not test them.

Ms. Argenbright said that the second report was the letter on Uniform Guidance, which addressed federal compliance. She said that they tested SLFRF (State and Local Fiscal Recovery Funds), also known as ARPA (American Rescue Plan Act), Child Nutrition, and Medicaid Cluster as part of the federal compliance audit. She said they did not have any federal program findings for any of those programs.

Ms. Argenbright said they also completed compliance for the State of Virginia, following the specific procedures outlined by the APA (Audit of Public Accounts). She said that for FY24, they did not have any findings related to those procedures. She said they had two other deliverables, one of which was a standard letter called the Communication to Those Charged with Governance. She said that they discussed this when it was presented to the Finance Committee, and it was a required document that outlined the required disclosures. She said that the letter also included a management's representation letter, which was a detailed statement about what the County knew and had disclosed. She said that she recommended reviewing this document.

Mr. Pruitt said that when comparing actual expenses to projected expenses, it appeared that General Government had a relatively wide variance. He said that in contrast, larger funds such as Schools had very narrow margins. He asked what caused this variance.

Ms. Argenbright said that Schools were significantly different from the County, and that was largely due to their inability to generate revenue. She said that as a result, their budgets were more strict, knowing exactly what they can expect in terms of revenue. She said that in contrast the County's budget was more complex and challenging to manage due to its broader scope.

Ms. Argenbright said that taking a close look at what they learned each year in their budget process, combined with their actuals, was the best approach. She said that there would inevitably be variances, and no one got it spot-on. She said that revenue was inherently more volatile, offering less control over it compared to expenses.

Mr. Gallaway said that he believed part of the answer to that question lay in their own policies,

which included contingency funds, reserves, and overarching policies. He said that they had to consider whether the property values and expenditures were what they had projected, but they would also consider this during the budget process.

Mr. Gallaway said that he appreciated the work of the Audit Committee, where some issues were noted. He said that he was confident that staff had a good understanding of those concerns and was implementing new systems as part of workforce optimization, which would help address some of the findings. He said that was the purpose of audits.

Ms. LaPisto-Kirtley said that she had a question regarding slide 7. She asked if the \$89 million unassigned total was comprised of the 2%, 10%, and 1% allocations.

Mr. Jacob Sumner, Chief Financial Officer, said that the \$89 million was unassigned and represented an accumulation of various things. He said that it included the 10% fund balance reserve, the 2% budget stabilization reserve, as well as reappropriations that were reappropriated from FY24 to FY25, which the Board had already taken action on. He said that when they appropriated the FY25 budget, they had a revenue source of use of fund balance that was also accounted for within the unassigned balance.

Mr. Sumner said that typically, around this time, especially as they approached the budget cycle, they examined the fund balance amounts that were truly unassigned, uncommitted, and not part of a future budget that had already been appropriated. He said that they would have more targeted conversations about these funds when they discussed them in the context of the FY26 budget process, as that was where they would come into play.

Ms. LaPisto-Kirtley asked if this was an approximate unassigned balance.

Mr. Sumner said that this was the total, but there were multiple layers.

Ms. Mallek asked if revenue from bond issuances, such as for Schools, was included.

Mr. Sumner said that would be in a different fund, the capital improvements fund. He said that the capital improvement process used local cash, which was part of their transfer, as well as debt borrowings. He said that the recording of those borrowings was reflected in the capital fund.

Ms. Mallek said that it changed her previous understanding of why it was so large, as she was accustomed to seeing it in the 11 to 17 range. She said that it seemed to be being described in a different manner, and she looked forward to learning more about the components that were included.

Mr. Andrews said that he thought there could be confusion between a budgetary process and an audit process, as there appeared to be unassigned funds, but in reality, a significant portion of this was determined in their budgets. He said that there were other factors, such as the leases, which were new and required a different approach. He said that they had heard more details in the Audit Committee about potential improvements and he appreciated staff's efforts in those regards.

Ms. LaPisto-Kirtley asked if they could receive a copy of the slide presentation.

Mr. Sumner said they would send the slide presentation to all of the Supervisors. He said that the full Annual Financial Report was also available on the County's website, and staff was always willing and able to answer questions as they reviewed the report.

Ms. Usher said that in accordance with the Virginia State Code, the financial report submission to the APA must be accompanied by a notarized statement from the Chief Elected Officer, Mr. Andrews, and the Chief Administrative Officer, Mr. Jeff Richardson, certifying that the audited financial report was presented to the Board of Supervisors. She said that staff provided a recommended motion.

Ms. McKeel **moved** that the Board authorize the Chair and the County Executive to execute a notarized statement that the County's audited financial report has been presented to the Board. Ms. Mallek **seconded** the motion.

Roll was called and the motion carried by the following recorded vote:

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



Beatrice (Bea) LaPisto-Kirtley
Rivanna

Mike Pruitt
Scottsville

Ann H. Mallek
White Hall

COUNTY OF ALBEMARLE
Office of Board of Supervisors
401 McIntire Road
Charlottesville, Virginia 22902-4596
(434) 296-5843

Diantha H. McKeel
Jack Jouett

Jim H. Andrews
Samuel Miller

Ned L. Galloway
Rio

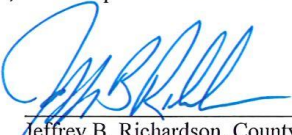
December 11, 2024

Staci A. Henshaw
Commonwealth of Virginia
Auditor of Public Accounts
P. O. Box 1295
Richmond, Virginia 23218

Dear Ms. Henshaw,

I hereby attest, in accordance with §15.2-2510 of the Code of Virginia, the County of Albemarle audited financial report, for the fiscal year ended June 30, 2024, has been presented to the local governing body at a public session on December 11, 2024.


Jim Andrews, Chair
County of Albemarle
Commonwealth of Virginia


Jeffrey B. Richardson, County Executive
County of Albemarle
Commonwealth of Virginia

The foregoing statement required by the laws of the Commonwealth was acknowledged before me this 15th day of February 2023.


Notary Public's Signature



Claudette K. Borgersen, Clerk, Albemarle County Board of Supervisors
Notary's Printed Name/Title

Notary registration number: 7701230
My commission expires on 08/31/2025

Agenda Item No. 10. **Action Item:** Membership in the Charlottesville-Albemarle Regional Transit Authority.

The Executive Summary forwarded to the Board states that in 2009, the General Assembly created the Charlottesville-Albemarle Regional Transit Authority (CARTA). CARTA's powers include to prepare regional transit plans and execute these plans by means of entering into contracts and agreements for transit and other supporting services. The City of Charlottesville and Albemarle County are the initial members of CARTA, upon adoption of a resolution by their respective governing bodies. The counties of Fluvanna, Greene, Louisa, and Nelson may also join CARTA. Additionally, private nonprofit tourist-driven agencies, public transit agencies, and higher education agencies may join as members. The enabling legislation provides for CARTA to have a governing board comprised of two Charlottesville City Councilors, two Albemarle County Supervisors, and one commissioner from each additional joining county. Other members would have non-voting Board representation.

In 2022, the Thomas Jefferson Planning District Commission, working collaboratively with its members, developed a Transit Vision Plan that identifies a clear long-term vision to efficient, equitable, and effective transit services for the region. Building on the Transit Vision Plan, the Transit Governance Study, completed in 2024, recommended the activation of CARTA, both to function as a collaborative multi-jurisdictional entity identify and to solve regional transit issues. Other work of CARTA would include preparing a regional transit implementation plan, considering service expansions and alternatives, advocating for transit needs at both state and federal levels, and serving as grant applicants.

By focusing on regional efforts, CARTA would work to improve efficiency of transit operations by reducing duplication of services, improving connectivity and coordination of transit services; expanding transit coverage; reducing congestion to improve air quality; and promoting a more sustainable environment.

On August 22, 2024, the Regional Transit Partnership received a presentation on the formation of a regional transit authority and unanimously endorsed its formation. On September 17, 2024, the Charlottesville City Council and the Albemarle County Board of Supervisors met jointly, received a presentation, and indicated support for the formation of a regional transit authority.

There is no budget impact associated with the adoption of the proposed resolution.

Staff recommends that the Board adopt the proposed Resolution (Attachment A) to approve Albemarle County membership in the Charlottesville-Albemarle Regional Transit Authority.

Ms. Ann Wall, Deputy County Executive, said she would cover part of the presentation, and Ben Chambers, City of Charlottesville, would assist with the presentation, as well. She said that this was possible through the collaborative efforts between the City of Charlottesville, Albemarle County, and the Thomas Jefferson Planning District. She said they had the support of transit partners in the community, including representatives from CAT (Charlottesville Area Transit), Jaunt, and UTS (University Transit Service).

Ms. Wall said she would like to provide some historical context regarding their region's efforts to form a regional transit authority. She said that in 2008, the Charlottesville-Albemarle Regional Transit Report was completed, which explored the possibility of forming a regional transit authority. She said that the authority was intended to promote the development of regional transit services, providing travelers with an attractive alternative to driving on congested roadways throughout the Charlottesville-Albemarle area.

Ms. Wall said that in 2009, the General Assembly passed legislation to enable the formation of a regional transit authority, but it did not include state authorization for revenue generation. She said that in 2016, a Regional Coordination Study was prepared, which explored opportunities to improve communication, coordination, and collaboration among transit partners. She said the effort led to the development of the Regional Transit Partnership (RTP), intended to serve as a precursor to a transit authority.

Ms. Wall said that in 2022, the Regional Transit Vision Plan was completed, involving local leaders, transit agencies, and stakeholders in developing a clear vision for the future of high-quality transit in the region. She said that the plan identified short-term, long-term, and extended long-term actions necessary to support the community's vision for high-quality transit.

Ms. Wall said that the first step in achieving this vision was the initiation of the Transit Governance Study to guide a governance structure for a regional transit authority and likely revenue sources and other key funding structures. She said in 2024, the Transit Governance Study was completed and recommended that the region initiate the formation of the Transit Authority envisioned in the 2009 legislation. She said that the study recommended early discussions on regional planning efforts towards a shared vision, establishing bylaws, engaging rural localities, and engaging transit partners.

Ms. Wall said that the 2009 legislation required action from the City of Charlottesville and Albemarle County to activate the authority. She said that the item before the Board was the consideration of a resolution for Albemarle County to consider membership in the Charlottesville-Albemarle Regional Transit Authority (CARTA). She said that the role of CARTA involved identifying and solving transit issues as a collaborative, multi-jurisdictional entity. She said that the authority would provide long-range transit planning services, recommend transit priorities, advocate for transit needs to state and federal partners, apply for grants and other funding, and serve as a vehicle for administering and potentially collecting dedicated regional transit funding.

Mr. Ben Chambers, Charlottesville Transportation Planning Manager, said that when the transit governance study was completed, the RTP, which met monthly, had requested that City and County staff collaborate to determine the next steps towards establishing a regional transit authority. He said that over the past 11 months they had worked with surrounding localities to gauge their interest in joining this effort. He said that they had also met with UVA and regional transit services to ensure that their plans aligned with the regional transit authority's enabling legislation.

Mr. Chambers said that they had begun developing draft bylaws that conformed to the CARTA legislation. He said that they had presented this information to the Board a few months ago, and most of it had been shared at the joint meeting between the City of Charlottesville's City Council and the Board of Supervisors.

Mr. Chambers said that they should review the authority legislation to understand its intended purpose and responsibilities. He said that the legislation described the powers of the regional transit authority, mostly based on planning, and they could also apply for grants. He said that it identified the City of Charlottesville and Albemarle County as initial members, and that the surrounding counties could join as partners if they wished. He said that the legislation also defined the general duties and responsibilities of the Board and established committees that may be involved.

Mr. Chambers said the draft bylaws reflected the provisions outlined in the CARTA legislation. He said it consisted of two members from the City, two members from the County, and non-voting members, including UVA. He said that they were currently working on a work plan for CARTA's first year, which would involve setting up the authority, conducting organizational work, and continuing outreach with partners, including transit partners and potential surrounding county partners. He said that they would begin transit planning, establishing regional transit goals and priorities, and identifying transit improvements that would enhance the customer experience in the region.

Mr. Chambers said CARTA would need to start preparing its own budget and determining how it would fund its planning work and community engagement efforts. He said that this would involve budgeting work with the finance committee and possibly hiring staff. He said that currently, City and County staff would continue to support CARTA's work, but it was possible that CARTA would need its own staff in the future. He said that over the next year they would need to assess this possibility.

Mr. Chambers said they must explore strategies for CARTA to generate its own revenues. He said that initially, the main goal was to determine if a dedicated transit funding source could be established. He said that although their legislation did not currently allow for this, it did enable planning for such a source. He said they would also need to utilize CARTA as an advocate, working with the state and federal government to bring additional revenue streams to the area. He said they could collaborate with state and federal entities to align their priorities with their grant programs and apply for grants directly, without relying on the City, County, or other transit agencies.

Mr. Chambers said they would need to consider changes to CARTA. He said that the legislation was somewhat outdated, and they had identified areas where they would like to make adjustments to ensure that regional partners were included and to potentially secure funding sources. He said that to achieve this, they would need to collaborate with their legislative advocates at both the state and federal levels.

Mr. Chambers said that key takeaways from setting up CARTA included the significant transit needs in their area, the numerous transit providers, the need for increased investment, and the need to organize that together with the County and the City at the same table. He said they had been working through these questions for 16 years, with the aim of establishing a regional transit authority so they had a table to sit down and have these discussions.

Mr. Chambers said the current legislation provided the necessary foundation to move forward with this initiative, and it would not hinder their ability to make other decisions. He said it would enable them to make more decisions together in the future. He said that this was the first step in implementing CARTA, and it was doing what the state enabled them to do so that they could start working together on the initiatives that they would like to pursue locally.

Ms. McKeel said that to clarify, she had understood that this proposal was presented to City Council.

Mr. Chambers said that it would be presented to Council on Monday. He said that they would provide updates to the RTP tomorrow.

Ms. McKeel said that they could not continue relying on operational funds to pay for transit services. She said that this would give them the structure and funding that would enable them to establish a robust transit system.

Mr. Pruitt said they had previously discussed the importance of having the support and buy-in from the non-required optional localities. He said that some early outreach had been conducted. He asked if it was possible for them to share the comments and concerns from other peer localities.

Ms. Wall said that generally, those localities were interested in learning more about the efforts of CARTA and the work on regional planning. She said that they were also interested in learning more about their own rural transit needs and how CARTA may be able to support those needs.

Mr. Pruitt said that he saw their more rural peers as an essential partner in ensuring they had their druthers to request the necessary modifications when approaching the General Assembly. He said that if they were expecting their support, he believed it was important that they provided the right product to their rural neighbors. He said that this was not only about helping them carry the legislative load, but also about being a vital component of their own economic development. He said that by making it easier for communities like Nellysford, Stanardsville, and Palmyra to access these new economic facilities, they could reap significant benefits.

Mr. Gallaway asked whether the other possible partners were limited to the TJPDC (Thomas Jefferson Planning District Commission) footprint, or if Augusta, Stanton, and Waynesboro could also be potential partners.

Ms. Wall said that the legislation restricted the members in CARTA, which was currently limited to the four counties of Nelson, Fluvanna, Greene, and Louisa.

Mr. Gallaway said that it would likely require a cross-jurisdictional partnership or a similar arrangement.

Ms. Wall said that the 2009 legislation clearly identified the members, so it would require a change in the legislation.

Mr. Gallaway said that in 2017, during his campaign for the Board, he remembered discussing the need for a regional transit authority during the candidate forums. He said that at the time, he thought it may happen one day. He said that there was still work to do, but this was a huge step. He said that he wanted to make a note of it because it was approaching seven years since then.

Ms. LaPisto-Kirtley asked if they could apply for grants through both federal and state programs.

Ms. Wall said that was correct.

Ms. LaPisto-Kirtley said they could use funding sources to plan. She said that she was not entirely clear on which specific funding sources it was referring to. She asked which local funding sources they could use and if there were any additional funding sources available.

Mr. Chambers said that they could pursue specific planning grants, such as the technical assistance grant offered by DRPT (Department of Rail and Public Transportation). He said it would enable them to receive consultant support in addition to the efforts already being made by County and City staff.

Ms. Mallek said she wanted to congratulate everyone who had been working to get this done since 2005. She said that she believed they should recognize Leigh Middleditch with an honorary distinction, as he was instrumental in bringing the Transportation Working Group together in 2005. She said that although the meeting was early in the morning, they discussed governance and other options.

Ms. Mallek said there had been a shift towards a more collegial approach throughout the jurisdictions. She said that she remained hopeful that a larger partner would join them in the future, enabling them to make meaningful changes and increase their federal funding by counting all individuals, rather than just a select few.

Mr. Andrews said that regarding the next steps, there would be a board for this governing authority, and they would go through the process at the beginning of next year with other designations of committees. He said that he was not aware of any scheduled meetings or events for the governing authority to come together initially.

Ms. Wall said that she would like to bring two items to the Board's attention. She said that the first item would be the consideration of appointments to the authority. She said that the second item would be the potential to bring a resolution to endorse an application to the DRPT for a grant through CARTA. She said that both items would be presented to the Board in January.

Mr. Jeff Richardson, County Executive, said that he would like to take a moment to publicly express his gratitude to Mr. Chambers and the City of Charlottesville for their leadership in organizing two separate trips to Champaign, Illinois, earlier this year, which involved over 25 community members. He said that he would also like to thank Christine Jacobs, Executive Director of the TJPDC, as well as her staff and the City's representation, for their efforts in making the trip as smooth as possible.

Mr. Richardson said that while traveling to Champaign, Illinois, was not an easy task, the outcomes were truly remarkable. He said that as public entities, they had the opportunity to review best practices from other communities, and the trip provided them with valuable insights into seamless transit systems, alternative fuel implementation, and community models that shared similarities with their own. He said that without the City of Charlottesville's support they would not have had the chance to experience this.

Mr. Richardson said he wanted to extend his sincerest appreciation for taking the time to make this trip possible. He said that he wanted to thank the University of Virginia for their participation in this trip. He said that they looked forward to meaningful discussions as they moved forward.

Ms. McKeel said she also wanted to add that they had participation from the Public School System. She said that this was really about them all coming together and working together. She said that if anyone was interested in this topic, the RTP had a meeting tomorrow afternoon, and they would be receiving the Jaunt Rural Transit Needs Assessment. She said that Jaunt had prepared and participated in a study for them about the rural needs.

Mr. Andrews said that they were looking for a motion.

Ms. McKeel moved for the Board to adopt the attached Resolution entitled Resolution to Approve the County of Albemarle's Initial Membership in the Charlottesville-Albemarle Regional Transit Authority (Attachment A). Ms. Mallek seconded the motion

Roll was called and the motion carried by the following recorded vote:

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

**RESOLUTION TO APPROVE THE
COUNTY OF ALBEMARLE'S INITIAL MEMBERSHIP
IN THE CHARLOTTESVILLE-ALBEMARLE
REGIONAL TRANSIT AUTHORITY**

WHEREAS, *Virginia Code* § 33.2-2800 establishes the political subdivision of the Commonwealth known as the Charlottesville-Albemarle Regional Transit Authority ("the Authority");

WHEREAS, the County of Albemarle ("County") is committed to enhancing transportation services within the community and recognizes the benefits in collaborating with the Authority to provide efficient and effective transit solutions; and

WHEREAS, *Virginia Code* § 33.2-2802 provides that County shall be an initial member of the Authority upon adoption of an approving ordinance or resolution by the governing body;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Albemarle County, Virginia hereby adopts this resolution to approve the County's initial membership in the Authority, pursuant to *Virginia Code* § 33.2-2802; and

BE IT FURTHER RESOLVED that the County Executive is authorized to take any other necessary actions to complete or confirm the County's initial membership in the Authority.

Agenda Item No. 11. **Work Session:** Board-Economic Development Authority Memorandum of Understanding Term Sheet.

The Executive Summary forwarded to the Board states that in Virginia, a governing body is enabled to create by ordinance an Economic Development Authority, which is a political subdivision of the Commonwealth (§15.2-4903). The Economic Development Authority of Albemarle County, Virginia (EDA) was created by the Board of Supervisors in 1976. The role of the EDA is to assist qualified businesses and industries who plan to expand or locate within the county by administering grant and bond programs that support economic vitality.

In May 2017, the Board of Supervisors and the Economic Development Authority signed an updated Memorandum of Understanding (MOU) guiding how the two public bodies would work to advance economic development efforts in Albemarle County. That MOU envisioned a future update to reflect the County's current economic development strategic priorities.

In December 2017, Albemarle County adopted its first economic development strategic plan, Project ENABLE. A refreshed plan is expected to be before the Board of Supervisors in 2025. In August 2024, the Board and the EDA met for a joint session to discuss the EDA's interest in adopting a revised MOU this year, so as to facilitate the County's economic development priorities, especially as it related to the Rivanna Futures project.

During the joint meeting of the Board and the EDA, the two bodies discussed elements that could be added, deleted, and/or further clarified in a new MOU in order to advance the County's economic development priorities. It was agreed that the EDA would develop a term sheet to bring to the Board to outline broadly the elements that a revised MOU would address. The EDA developed the draft term sheet through discussions at their October and November meetings, which is provided as Attachment A. The intent of this agenda item is for the Board to discuss the draft MOU terms articulated by the EDA and provide direction that staff can use to draft a new MOU that would be brought before each body for consideration.

There is no budget impact associated with the term sheet for the MOU. The term sheet does provide for an administrative fee for financial transactions processed by the Department of Finance & Budget, which is consistent with the Albemarle Broadband Authority and other agencies for which Albemarle County serves as fiscal agent. If adopted in the final MOU, this would provide revenue back to the County on a percentage basis.

Staff recommends that the Board review the MOU term sheet in Attachment A and provide feedback during the work session.

Ms. Emily Kilroy, Director of Economic Development, said that Don Long, Chair of the Economic Development Authority (EDA), was also present. She said that this was a follow-up to the session the Board of Supervisors had at the joint meeting with the EDA in August, and the topic was the Memorandum of Understanding (MOU). She said that this was the agreement outlining how the two public bodies would work together to advance the County's economic development priorities.

Ms. Kilroy said that she would provide a brief introduction to the topic, and then Mr. Long would walk through the attachment in the Board's packet, which was a draft term sheet for discussion purposes. She said that their goal was to receive direction from the Board that would allow the County Attorney's Office to develop a draft MOU based on the draft term sheet.

Ms. Kilroy said that the EDA was established in 1976, nearly 50 years ago. She said that since

then, there had been several MOUs signed, with the most recent one being in 2017. She said that this agreement was one of the main topics of discussion during the joint meeting with the EDA in August. She said that in August, they discussed many of the topics outlined in the term sheet, and the idea was that since 2017, there had been significant shifts in the local economy, as well as changes in the interests of the EDA and the direction of the Economic Development Office, and the benefit of years of experience from the EDA and Economic Development Office staff working on economic development items regularly.

Ms. Kilroy said that during that meeting, the Board and the EDA had discussed how Rivanna Futures could impact the future trajectory of the EDA's work. She said that they also discussed broader authority for Board-appropriated funds and clarification on the use of special powers granted to the EDA under state code. She said that they discussed direction on various economic development items, including business attraction, entrepreneurial ecosystem development, workforce development, and partnership development.

Ms. Kilroy said that at the meeting, Mr. Long had suggested that they approach this as they would with an incentive agreement, agreeing to broad terms before getting into specifics. She said that following that meeting, staff and members of the EDA met to create a draft term sheet. She said that over the fall, the EDA had reviewed and refined the draft, ultimately endorsing it at their last meeting. She said that the endorsed term sheet was attached to the executive summary. She said that if the Board concurred that they were ready to move forward with drafting a document, they would then work with each body to negotiate the terms of the agreement.

Mr. Don Long, Chair of the EDA, said that he would like to walk through the key terms of their proposal. He said that he and Ms. Kilroy met after the meeting to review notes and comments to try to come up with what they wanted to do, which they had presented to the EDA. He said their goal was for the Board to adopt and keep current an economic development strategic plan, and to work with the EDA in developing that plan. He said that they believed it was essential that this strategic plan guided the County's activities and investments in economic development, so that the EDA knew the focus of the County's goals.

Mr. Long said an important issue they discussed was the use of statutory powers granted to EDAs and feeling comfortable using those powers, and that the Board was supportive of using the statutory powers in the goals that were in the strategic plan. He said that they wanted to be clear that the Board supported the EDA's use of these powers in conformity with the Comprehensive Plan as well as the strategic plan. He said the terms focused on business attraction, targeting specific industries, and not just allowing any business to come in. He said that they would also focus on ecosystem development within those targeted industries and business retention and expansion.

Mr. Long said they would focus on workforce development by partnering with other organizations, and that they would use their powers to support real estate development, redevelopment, and building use in areas that needed economic development support, such as Rivanna Futures. He said that they would also work to establish entrepreneurial activity and support the startup businesses in their community, helping them grow and expand in the County.

Mr. Long said one of the things they had discussed was incentives and potentially having the Board provide funding to the EDA with a framework to provide guidance on how to use this funding. He said that this would allow the EDA to make decisions without needing to return to the Board for every decision.

Mr. Long said that regarding working with the Board to develop Rivanna Futures, he had attended the INSA (Intelligence and National Security Alliance) meeting last week, where he was impressed by the County's response from the Department of the Army, DIA (Defense Intelligence Agency), and NGIC (National Ground Intelligence Center). He said that he and the EDA looked forward to the opportunity to do something. He said that he believed that if they could find the right projects to help out, that that was really important.

Mr. Long said that the Finance Department was compensated for services provided to the EDA. He said that they had a discussion about the basis for calculating this compensation, considering whether it should be based on the EDA's self-generated funds, such as bond revenue, or on the economic development funds provided by the County. He said that the EDA supported using the smaller amount.

Ms. Kilroy said that they were working through this as partners. She said that the staff perspective on administrative fees for partner agencies was generally 1% of incoming funds. She said that this supported the processing of payments, as well as the other services the County provided as part of the operating agreement with that entity.

Ms. Kilroy said that, within the context of the EDA, this could be thought of as the administrative support the EDO provided in support of the meetings and work of the EDA, the legal services provided through the County Attorney's Office, and budget management of the funds the EDO managed. She said that the staff perspective was that other partner agencies based on 1% of incoming funds.

Ms. Kilroy said that there were instances where the EDA's statutory powers allowed them to best serve the interests of the County. She said that for example, the EDA provided funding for affordable housing projects that the County had expressed interest in supporting. She said that the EDA's was enabled to facilitate these transactions on behalf of the Board of Supervisors.

Mr. Long said that the key point was that this was not a significant issue either way. He said that they had brought it up for the Board's consideration.

Mr. Long said that they had discussed the state's special powers, which were the things that the EDA could do that the Board of Supervisors could not do directly. He said that the EDA could make grants to private entities, including tax grants. He said that the EDA could utilize the synthetic TIF (Tax Increment Financing) structure that they had used in other cases.

Mr. Long said that the EDA could sell property without adhering to the same legal requirements as the Board of Supervisors. He said that the EDA could lease properties at or below fair market value. He said that the EDA could issue bonds. He said that the EDA could make loans to private entities. He said that in some cases, the EDA could even act beyond the locality, although that was not typically their goal.

Mr. Long said that the target industries they were considering included biomedical and biotechnology, financial services, business services, IT, food and beverage manufacturing, and light manufacturing.

Ms. Kilroy said that these were the adopted target industries for GoVirginia Region 9. She said that they closely mirrored the ones developed for the County in the early 20 teens. She said that as part of the economic development strategic plan update process, she anticipated that they would revisit and refine the list of target industries. She said that she expected that intelligence, national security, and defense-related industries would be added more specifically to the County's list. She said that this list was based on data-driven analysis through GoVirginia.

Ms. Kilroy said that staff would like to receive feedback on any of the items in the draft term sheet. She said that before they concluded, they would appreciate direction from the Board on how to approach the 1% administrative fee, whether it should be viewed more narrowly or more broadly.

Ms. McKeel said that she thought the joint meeting in the fall had been very productive. She said that it was great to see this coming through. She said that she did not have any specific concerns. She said that as someone who had previously served as a liaison to the EDA, she was aware of the thoughtfulness and care that the EDA brought to these projects. She said she believed the recommended 1% administrative fee made sense.

Mr. Andrews said that to clarify the 1% fee question, it was not just the 1% itself, but rather whether it was based on all funds coming through the EDA, including County-provided funds.

Ms. McKeel said she supported the staff recommendation.

Mr. Andrews said that there were two recommendations

Mr. Long said that the 1% fee would only apply to non-County funds, which included funds obtained from bonds or other sources. He said that if the EDA was acting as a conduit for housing funds that they were simply passing through, the fee calculation would not apply. He said that for example, if the County was to use the EDA as a passthrough for \$1 million, they would not then pay a 1% fee on the \$1 million.

Ms. McKeel said she supported that recommendation because it was working for the County.

Ms. Mallek said that was the opposite of what she heard.

Ms. McKeel said that she probably needed it in bigger letters.

Ms. Mallek said that she was listening very carefully.

Mr. Pruitt said that he thought it was fair to compare the fee they were discussing to the fiscal agent fee that a larger nonprofit might pay when sponsoring a new nonprofit. He said that in this framework, he also believed it made sense that the 1% management fee only applied to non-County funds, as there was not the new and additional reporting and tracking requirement for County funds. He said that that seemed prudent and was something that the EDA seemed to be comfortable with. He said that it seemed that they would be taking a smaller total portion of funds dispersed as a fee. He said that he may have misunderstood.

Mr. Long said that the EDA was not taking a fee. He said that they were paying the County Finance Department a fee.

Mr. Andrews said that the question was whether the fee should be calculated based on all incoming funds or just external funds.

Mr. Pruitt said that he had expressed some concerns during their joint work session, specifically regarding the potential for the EDA to engage in housing stimulus and broader community development work that may not be directly related to commercial or traditional economic development strategies. He said that he was concerned that this could be seen as stepping outside the EDA's expertise and potentially conflicting with other stakeholders. He said that he used Fredericksburg City's EDA as an example, which attempted to address homelessness without coordinating with the Continuum of Care,

resulting in controversy.

Mr. Pruitt said that he was relieved to see that housing was not explicitly mentioned in this MOU, but he did see a discussion of community development. He said that he believed that workforce development was more clearly within the EDA's scope, but he also thought there may be some overlap with existing organizations. He said there were pre-existing organizations that may not be at the same level of government. He said that he would like to know if the EDA could confidently de-conflict with other government stakeholders who may have concurrent operations in these areas.

Mr. Long said that he believed they could because they were working closely with the County's EDO and other organizations. He said that they were collaborating with these groups to achieve their goals. He said that he did not see the same issues that would be in housing. He said that they would seek to support other organizations, not set up their own programs. He said that, as an example, if an organization needed office space, the EDA could lease a space then sublease it at a lower-than-market rate to the organization.

Ms. Kilroy said that the intersection between economic development, housing, and childcare was becoming increasingly intertwined statewide. She said that the Board was aware that the County was submitting a grant application to the Virginia Economic Development Partnership (VEDP) through the Virginia Business Ready Sites program for site readiness work at Rivanna Futures.

Ms. Kilroy said that recently, the Governor and VEDP announced that they would be considering housing availability as part of the application review process. She said that she believed the state also viewed economic development as a powerful voice of support. She said that they had available tools and resources through the EDA and other authorities to be supportive, but to let the housing experts lead the development of solutions and then work together to advance those efforts.

Mr. Pruitt said that Supervisor Price often brought a familiar concept into government that he would like to now echo, which was the Navy's concept of the supported and the supporting commander. He said that this concept was particularly relevant in amphibious operations, such as his experience, where the naval commander served as the supported commander until Marines were on the ground, and then the relationship shifted.

Mr. Pruitt said that it appeared that what they were discussing was ensuring that in areas further on the periphery, the EDA had a clear understanding of its role as a supporting commander and identified the actual leaders. He said that he appreciated that they were actively thinking about this, as his primary concern was the tendency of some organizations to operate with hubris. He said that he was glad to see that they were approaching this with a more measured attitude.

Mr. Gallaway said that during the joint meeting, someone had mentioned concerns about how some EDAs operated independently and made decisions without proper oversight. He said that according to the draft MOU, they established the framework and appointed the individuals. He said that if they were to act outside of their intended goals, it was not their fault. He said that they should be cautious about who they appointed and ensure that the framework was clearly defined. He said that they must be diligent about their oversight responsibilities. He said that he did not view EDAs as inherently rogue.

Mr. Long said that one of the things they had discussed was the role of the Finance Department in providing a check on this process. He said there were positives and negatives to the EDA having its own bank account and doing their own thing. He said that a reason not to let the EDA have its own account was to ensure funds went through the County's review processes. He said that the oversight of the Board and EDO was an important aspect. He said that issues had arisen when the EDA operated independently and did not coordinate with others. He said that they were not at risk of that happening.

Mr. Gallaway said that in the draft term sheet included in the packet, the first bullet point stated that the Board of Supervisors would adopt and keep current an economic development strategic plan. He asked for clarification about what "keep current" meant.

Ms. Kilroy said that she believed the expectation was that it would be updated regularly. She said that the current plan was over six years old. She said that it was anticipated that updates would occur on a more frequent basis, between three and five years, to ensure the strategy remained current with the current conditions. She said that this would allow the Board and the EDA to regularly check in with staff and the community and assess whether the strategy was on the right track.

Mr. Gallaway said that defining a specific timeframe for updating the plan would be beneficial, so it did not get pushed back because of how reality worked. He said that the current plan would have been updated sooner if not for the pandemic. He said that while the pandemic was a significant factor, other staff priorities could sometimes delay updates. He said that this plan was one that he believed suffered from not having a more regular update cycle. He said that they should define a specific update schedule.

Mr. Gallaway said that he wanted to reaffirm his support for the statutory powers granted under the Code of Virginia. He said that regarding bullet point four on the draft sheet, he wanted to challenge the notion about whoever wanted to come in. He said that all places stating "within the identified target industries" should mirror the language used in bullet point three, which emphasized business retention and expansion with an emphasis on identified target industries. He said that he wanted to see "with an emphasis on" everywhere it said "within the".

Mr. Gallaway said that in the next update, they would likely do something with Rivanna Futures relative to the intelligence agencies. He said that targets were something they aimed for; they were not defined criteria. He said that if they said, "within the identified target areas," they were putting the EDA into a fenced area. He said that they may not know what they wanted to aim for in three years, which would be a reason to update the plan and not wait. He said that everyone on the EDA understood how economic development usually was in the business world, and things could pop up that they did not know that they might want.

Mr. Gallaway said that if they said, "within the identified target industries," and something like that popped up, they were already boxed out from considering it based on this MOU. He said that he did not want to box them out. He said that he wanted it to state "with an emphasis on" because they would still be operating within the County's framework and guided by the strategic plan. He said that he wanted to ensure they were not excluding opportunities.

Mr. Gallaway said that he recalled a book called Getting the Yes. He said that they should not start from an idea of "no" to something. He said that this was excluding the EDA by saying no. He said that he believed that they could all agree on several things they did not want to see in the County, and it was likely that those companies would not want to be there either due to their current attitude. He said that they did not know about potential companies that might be interested in coming to the County that would be a great thing for the community.

Mr. Gallaway said that this would be a smart approach and keep flexibility open. He said that the EDA should be able to exercise judgement and identify potential opportunities that might not be immediately apparent. He said that by doing so, they could send a message that they were willing to listen and be open to new ideas, rather than waiting for others to come to them and potentially missing out on opportunities. He said that, for the fee, he was in agreement, as there should be a fee for things passing through.

Mr. Andrews clarified that Mr. Gallaway supported the staff recommendation.

Mr. Gallaway said that was correct.

Mr. Long said that one point he would like to make is that the business attraction process involved two aspects. He said that on one hand, there were individuals or businesses approaching them to express interest in locating there, which fell under the EDO's jurisdiction. He said that they had always been open to discussing potential opportunities with those who expressed interest.

Mr. Long said that he believed the issue lay in their level of proactivity in actively seeking out businesses that aligned with their goals, rather than simply responding to inquiries. He said that in the past, they had been more reactive, only engaging with individuals who had already reached out. He said that he thought their intention with this initiative was to be more proactive and focus on attracting businesses that aligned with their vision.

Mr. Gallaway said that he agreed, but he had a concern regarding the statement about aiming to achieve something. He said that if, in a year from now, they decided to aim elsewhere, this current plan would not allow for that. He said that he did not want to restrict the work of the EDA. He said that new economic development activities had come to their attention that were not on their radar three years ago. He said that it should be something that allowed for flexibility.

Ms. LaPisto-Kirtley said she was not sure they intended it that way. She said that the way it was phrased, she thought they helped set that for their identified target industries. She said that she was the EDA liaison, and they were very receptive to the Board's ideas and goals. She said that she was not convinced they were focused on the specific industries they had identified. She said that she thought that was a broad interpretation, and she thought that they would welcome new businesses.

Ms. LaPisto-Kirtley said that she thought what they did not want was to open the floodgates and bring in a wide variety of businesses, such as fast-food restaurants and everything. She said that the Board did not want 5,000 of those. She said she did not think the wording was necessarily limiting, unless they added clarifying language regarding flexibility.

Mr. Gallaway said that he was suggesting adding, "with an emphasis on".

Ms. LaPisto-Kirtley said that she had no issue with an emphasis on flexibility, allowing them to make decisions and hear potential opportunities. She said that perhaps they could also work together to identify and bring forward potential opportunities. She said that she agreed with the suggestion to have a report, possibly every three to five years, not to dictate what could or could not be done, but rather to provide a framework for evaluating the rapidly changing landscape. She said that this could be a more frequent review, such as every three years, rather than every six-year cycle.

Ms. Kilroy said that they had projects in the past six to nine months where something had come forward that was not strictly within the target industries. She said that in those cases, they would conduct a thorough check-in. She said that she believed there was a nuance in the structure between the EDO and the EDA in the Commonwealth that could be easily overlooked. She said that for instance, some localities had staff working directly for the EDA, while others had staff working for the local government organization.

Ms. Kilroy said that when something came forward to staff that might fall outside the target industries, it would serve as a cue for her to initiate a conversation with the County Executive. She said that she would present the opportunity, discuss the pros and cons, and seek input on whether to continue the conversation. She said that they would then bring in the Board and the EDA to brief them and gather their feedback. She said that this approach allowed them to assess whether the opportunity was a good fit, even if it did not fit within the target industries.

Ms. Kilroy said that if the EDA were to take a more proactive approach in attracting businesses using the target industries, it would be an opportunity for the EDA to explore how to approach that work. She said that, for example, attending sector-focused conferences where site selectors were present could help frame that work. She said that Mr. Gallaway's suggestion to add "with an emphasis on" was supportive and not restrictive, and not too expansive.

Ms. LaPisto-Kirtley said that she believed that it was beneficial to have that flexibility, allowing them to say no to something they did not want, while also being open to new ideas they had not considered before. She said that she agreed with the emphasis on flexibility, and she also agreed with the 1% fee.

Mr. Andrews said that there were two versions for the 1% fee calculation. He said that one option was to calculate it based on all incoming funds, including those from the County, and the other was based only on external funds.

Ms. LaPisto-Kirtley said that she supported calculating it on the external option.

Ms. Mallek said that he had mentioned that they had discussed details with the EDA over the past several meetings, and she was curious about what those details were. She said that if they were already incorporated into the proposal, that was fine. She said that she appreciated the thought that had gone into the three-year update or sooner. She said that she was not put off by new ideas emerging because, unlike California, they could quickly come together to figure things out if needed.

Ms. Mallek said that it was true that they could not anticipate every scenario, and it was better to have a conversation about unexpected issues rather than trying to cover everything in a term sheet. She said that she would go back to the target industry study for some historical context. She said that in the 2008-2013 period, there was a backlash from some community members who felt they were losing businesses to Fluvanna or other counties. She said that there was a sense that if it was not in Albemarle, it was a problem. She said that they had to share in the region.

Ms. Mallek said that the regional target industries study was beneficial because it highlighted the strengths of the region, particularly the skills and academic opportunities available to their residents. She said that it showed they would not be able to do everything. She said that by focusing on a few key areas, they could make the most of their resources. She said that defense, although it was not part of the GoVirginia plan, was a priority for the local plan. She said that at the time, there were supervisors who did not want it included. She said that she wanted to encourage the EDA to stand up for their local plan, even if it differed from the GoVirginia one, because it was what came from their community and had a solid foundation.

Ms. Mallek said when they mentioned site selectors, it brought back bad memories of being lectured over the years by various site selector agents, who said that everything happened quickly and that they needed to be ready and have everything in place. She said that they would not do that, and things were turning out okay, slowly but surely. She said that she was definitely more of a turtle on this, but they would get there in the end.

Ms. Mallek said she was glad to hear that they were not looking at duplicating workforce development programs, such as those funded by the state and federal governments, because those were tremendous skill sets. She said she believed that they needed to be in a supporting role. She said she thought that was an important way to talk about it. She said she was glad to hear the comment about perhaps helping as a landlord for supportive services, because they had spent two years at the Workforce Center trying to find an affordable location closer to their people. She said that they were okay right now, but when the next opportunity arose and there was extra warehouse space, she would be calling on the EDA for that help.

Ms. Mallek said she understood the importance of considering where employees could live in order to bring a job group to the area. She said she had been told yesterday that if a new agency was coming from D.C. to Rivanna Station, it would bring a number of new employees who would want to live in the region, and they would need a shelter to be willing to come.

Ms. Mallek said she would like to bring up a point regarding the former head of DIA's efforts to recruit people from Northern Virginia to join the agency. She said that he had successfully brought in around 800 individuals, despite initial resistance from those already established in Fairfax and other more expensive areas. She said that this experience had taught them the importance of effectively promoting themselves.

Ms. Mallek said she had some concerns about the statutory powers' support, although a little less now after their explanations. She said she believed that avoiding mission creep was a big deal, especially given their limited resources and time. She said that unlike Montgomery County, Maryland, which had a substantial \$100 million affordable housing trust fund, they did not have that luxury. She said that they

must carefully manage their approach to align with their available staff and funding capacity.

Ms. Mallek said that, considering the progress since 2008 with the defense sector, she was mindful of the need for careful communication and representation, particularly with military and defense department officials. She said that County staff leading that effort should be the point of contact. She said that she was confident in their current spokespeople, who she trusted to make the necessary connections and guide the process. She said that while others may have supporting roles, she was protective of this process and the message process that went along with it.

Ms. Mallek said she thought she understood the 1% on municipal bonds income. She said she was concerned about double-dipping on County funds, and she would not go for that, but if it was solely based on the municipal bond income, she was willing to support it. She said that she understood the Board's responsibility to ensure that good people were appointed. She said that the Board needed to provide clear guidelines, guardrails, and other necessary support to enable the EDA to perform their duties effectively. She said that was what was missing from the draft MOU, and she looked forward to receiving more of that as the process moved forward.

Mr. Long said that he was able to answer one of the original questions regarding what the EDA discussed in terms of this matter. He said that they had presented this document to the EDA at two meetings. He said that they had compiled the document and presented it. He said that their goal was to give them an opportunity to review the bullet points, provide feedback, and then they gave them a second chance to review it again, as they were aware of the upcoming December Board meeting, and they did not get a whole lot. He said that they had received some feedback at the first meeting.

Ms. Mallek said that over the past 17 years, the EDA had undergone significant evolution. She said that her White Hall appointee was a wonderful individual, but he had been on the Board for decades, representing the old regime. She said that during that time, the EDA had focused primarily on municipal bonds, providing money to Sentara and Schools, saving them money on their construction loans. She said that for many years, there was no fee associated with these transactions. She said that it was not until after 2008 that the 1% fee. She said that change was alright as long as they were all informed and on the same page.

Mr. Andrews said that he tended to agree with the staff perspective on item F. He said that regardless of the source of funds, there was an overhead cost to the County. He said that if the County was offering up to \$250,000 in incentives to the EDA, and that was coming from the County's budget, there should be a corresponding 1% fee on top of that amount to be returned to the County, allowing for oversight of the funding and activities. He said that this was simply a cost of doing business through the EDAs.

Mr. Andrews said that regarding the question on identified target industries, he would work backwards. He said that the last bullet related to providing incentives up to \$250,000 to target industries. He said that if they were talking about \$250,000 with an emphasis on target industries, then he was not bothered. He said that they were delegating a certain amount of authority to the EDA, but they were outlining how they would do business. He said that they would remain informed, and they could identify when they thought there was a problem with the target having moved from what they thought was the list.

Mr. Andrews said that he was unsure what other factors were considered in this process. He said that if they began to pursue large bond issues or projects outside of the targeted industry, he would want to be informed before they were completed. He said that he preferred to have a targeted list and regularly update it to ensure they stayed on track.

Mr. Andrews said that regular meetings would also help them avoid straying from this plan. He said that they had already identified that the GoVirginia study was similar but not the same, so they wanted to establish a unique set of targets for the County. He said that workforce development should be focused on targeted industries, not just with an emphasis on them. He asked if staff had received consensus on the 1% fee.

Mr. Long said that in his view, the County had appropriated money to the EDA, which was then passed on to other projects. He said that for example, if \$1 million was allocated to a project, the EDA would pay a 1% fee to the Finance Department to manage that process. He said that this fee was not necessarily a percentage of the allocated funds, but rather a flat fee. He said that the money for this fee would come from the EDA's other revenue streams, such as bond fees and other income.

Mr. Long said that in his view, the key issue was that those numbers could be significantly different in terms of size and scope. He said that he understood the point about overhead, and it was reasonable to pay a fee for managing the process. He said that his concern was that if they were only operating at a relatively low threshold, such as \$200,000, and suddenly they had a large influx of funds, the fee could become a significant percentage of the work being done.

Ms. Kilroy said that if the EDA were to handle a higher volume of affordable housing incentives than in recent years, Mr. Long's point was that the revenue the EDA received from loans and bonds issued on its behalf was relatively fixed and limited. She said that if the Board were to seek the EDA's support for a high volume of funds, the 1% fee would be applied to those funds and potentially cause challenges for the EDA's inbound finances.

Mr. Andrews asked if it was possible to negotiate the terms at the time, particularly when dealing

with issues like this.

Mr. Long said that if they reached a point where the costs were significantly out of balance, it was worth considering. He said that currently, the actual numbers were relatively small.

Ms. Mallek said that as she listened to the discussion, a similarity came to mind regarding the fee associated with a CIP (Capital Improvement Plan) award given to FES (Facilities Environmental Services) to carry out the project. She said that although it was County money, there was a transparency component and an understanding it was part of the CIP budget. She said that this helped her understand the internal process. She said that staff would have to figure out how to handle it. She said that multiple \$50,000 awards would require significant staff time, whereas a single larger award, such as a \$1 million project, may be more efficient. She said federal reporting may complicate matters. She said that they would need to advise her on how to proceed and fine-tune the process to ensure it was effective.

Mr. Long said that his suggestion, and possibly others may offer alternative ideas, was to consider implementing a cap, such as a 1% threshold, for all projects. He said that if the dollar amounts became significantly large and the amount of money flowing was not balanced with the amount of work required, they could adjust it.

Ms. Mallek said she hoped they would have ongoing conversations.

Mr. Pruitt said that he believed they had a two to four split. He said that he interpreted the discussion as two for basing the fee on all income, being Mr. Andrews and Mr. Gallaway, and the remaining supervisors were supportive of basing the fee on external funds.

Mr. Gallaway said that he was supportive of calculating the fee based only on external funds.

Ms. Kilroy clarified that it was five to one in support of calculating the fee based on external funds.

Ms. Mallek said she would like feedback from Finance staff regarding a solution that might help provide them more information later.

Ms. Kilroy said that the next step in the process would be for the County Attorney's Office to create the initial draft of a new MOU. She said that this draft would then be presented to the Board and the EDA before any final decisions were made. She said that as part of this process, staff would have the opportunity to review the draft and consider alternative approaches that may be satisfactory, which could be explored and refined through the MOU document itself.

Mr. Pruitt said that he wanted to ensure that he was accurately interpreting the scenario. He said he might assume that as the Board began to turn against the staff recommendation, Mr. Sumner would jump out of his seat to offer some comment, especially if the situation was urgent or dire. He said that he had not seen him do that, which made him think that this decision was likely on the margins. He said that he wanted to confirm that this was a reasonable interpretation of the scenario.

Mr. Sumner said that from a purely financial standpoint, if the 1% fee were applied to all incoming funds, the annual fee would range from \$7,000 to \$15,000. He said that when considering administrative fees, they were comparable to the fiscal agent fees they charged for the Emergency Communication Center (ECC) and the CACVB (Charlottesville-Albemarle Convention & Visitors Bureau). He said that these fees were based on all incoming funds.

Mr. Sumner said that these fees covered a wide range of services, including administrative, legal, financial, and audit services. He said that in his conversation with Ms. Kilroy earlier, he noticed that the EDA's proposal seemed more like a per-transaction fee, rather than the pure fiscal agent fee suggested by staff. He said that the latter covered a broad scope of services, whereas the former was more related to outside local dollars. He said that while the dollar amount was small, marginally, he aimed to provide a different perspective and add clarity to the various approaches being considered.

Mr. Gallaway said that it was essential to remember that just because a place was interested in working with them, it did not mean they would automatically call. He said that what they put out there, based on that assumption, must suggest that they were approachable and open to conversation. He said that the words they used and the message they conveyed would be the first impression potential partners had of them.

Mr. Gallaway said that if they did not convey flexibility and a willingness to discuss, potential partners may not even consider reaching out. He said that this was not a criticism of anyone's efforts, but rather a fact that they should be aware of. He said that as they moved forward with the final product, he thought it was important that they consider this when rethinking Project ENABLE. He said that the concern was that if they did not convey this flexibility, potential partners may never make the call. He said that this was the overarching concern driving his point, and he hoped it could be teased out in the language they used going forward.

Agenda Item No. 12. From the County Executive: Report on Matters Not Listed on the Agenda.

Mr. Jeff Richardson, County Executive, said that he would introduce Abbey Stumpf, who had spearheaded the efforts for the year in review report.

Ms. Abbey Stumpf, Director of Communications and Public Engagement (CAPE), stated that she wanted to take a few minutes to share a few words before sharing the year in review presentation. She said that she would keep her remarks brief. Recently, she was asked about the hardest part of her job, and she had shared that the County had more stories to tell than time to tell them. She said that this was a testament to the dedication and hard work of County staff, who did an incredible job day in and day out for the community. This was particularly evident during the year in review process, when the County created a review or recap to highlight their accomplishments.

Ms. Stumpf said that when they gathered to brainstorm and consider the various stories they could share, they tried to identify common themes and connections. This year, they had identified partnerships and collaborations, both within their departments and with community organizations. These partnerships were at the heart of what the County does. She said that she wanted to take a moment to thank the CAPE staff, particularly Aki Parker, whose creativity had brought these stories to life in the video. She also wanted to thank all County staff who had participated in the video to share their success stories.

Ms. Stumpf said that before beginning the video, she knew the Board appreciated statistics and figures, so she wanted to share a few more with them. These numbers illustrated the tangible impact County staff and Government services had on the community every day. She said that she would share statistics from the year so far, keeping in mind that there were 20 days left of the year, so the numbers may change.

Ms. Stumpf reported that the Fire Rescue Department had responded to 1,423 heart-related calls for service, including cardiac arrests and chest pains. She said that the Office of Revenue Administration had assisted 853 qualified property owners in obtaining tax relief through the Elderly and Disabled Tax Relief Program. She said that Social Services had supported nearly 400 families through the Family Support and Bright Stars Program embedded in local schools, and that ACPD (Albemarle County Police Department) officers had saved 10 lives through life-saving measures and Narcan responses. She said that these numbers represented more than just statistics; they were the lives that the County staff had directly impacted every day. She said that they formed the foundation of their core services and demonstrate how local government can make a meaningful difference.

Ms. Stumpf said that it is through these foundational efforts that they build trust and connections, essential for forming the partnerships highlighted in this video. She said that these collaborations enable them to amplify their impact, find solutions, and better meet the needs of their community. She said that with that, she would now play the prepared video to highlight a few of the successes from this year, thanks to the outstanding work of their staff and community partners.

Ms. McKeel asked if Ms. Stumpf could provide the statistics about the schools to the Board.

Ms. Stumpf said yes, she could send them to the Board.

Ms. Stumpf presented the year in review slideshow, which highlighted the new Home Depot and the Afton Scientific Expansion made possible through private public partnerships, the implementation of MicroCAT as a grant-funded pilot program to help meet area transit needs, and the provision of community climate action grants for various initiatives to support a more resilient, connected, and sustainable community. It also included the County's community engagement work to bring topics on key issues to life for community members and to create safe spaces for open dialogue, the effective training of Fire Rescue recruits to continue Fire Rescue's ability to protect and serve the community, the development of continuity of operations plan to enhance the County's ability to deliver critical services under any circumstances, the implementation of school zone speed cameras to reduce speeding near schools, and making the County a healthier, safer place for everyone through the Yancey Fitness Center, Free Bridge Lane Promenade, and Biscuit Run Park projects.

Ms. McKeel said that the presentation was beautifully produced and very informative. She said that she appreciated the ability to see this and share it with the community.

Mr. Pruitt recalled several months ago, a constituent of Mr. Andrews' was in the audience and wanted to speak with a supervisor after the meeting because he was seeking a fundamental understanding of the Board's actions. He said that he appreciated the effort that went into creating a concrete list of their accomplishments and ongoing work, which could be used to demonstrate their progress.

Mr. Gallaway said that he appreciated the point about not being able to share all the stories about staff achievements, but he believed this presentation did capture the essence of it. He said that he would like to request that this presentation be shared with their CAC (Community Advisory Committees) members. He said that he knew they had specific mailing lists for them, but if they could disseminate this review to the CACs, they would enjoy it.

Mr. Gallaway said that he would also like to make a comment about the speed zones. He said that yesterday, he had a meeting down here in the afternoon, and he had to rush from here to pick up his son at Albemarle High School. He said that he had made this trip many times over the years, and he had found that the improvements on Hydraulic, particularly the roundabout and the removal of left turn lanes, had made it the most efficient and fastest time to get to the high school in the afternoon.

Mr. Gallaway said that notably, when he entered the speed zone, he observed that drivers were more aware of the school zone and were more cautious, so the behavior was starting to change. He said that he appreciated the effort. He said that the roundabout and some of the road improvements in that area were a step in the right direction. He said that while they could not sell everything, there were noticeable improvements being made. He thanked staff for putting this information together.

Ms. LaPisto-Kirtley said that the roundabouts had significantly reduced the number of red-light crashes and near-misses. She said that she agreed with the idea to distribute the presentation to all CACs. She said that she would also appreciate it if staff could send the Board a PowerPoint presentation today, as she needed to review the statistics for an interview with WINA tomorrow. She thanked staff for putting together this presentation. She said that the staff deserved great compliments, because they were the ones who made all this happen. She thanked them again.

Ms. Mallek asked if this would be accessible on the website for people like her who have limited broadband in the country, making it difficult to download the large file. She asked if there would be an alternative way to view it without having to download it.

Ms. Stumpf said that they would distribute the information through their usual channels, including sending emails, posting it on their website, and sharing it on social media. She said that their goal was to maximize visibility and reach as many people as possible.

Ms. Mallek said that she would appreciate it if she could get a link to share in her newsletter. She said that she found it fascinating, and she was eager to learn more about how a ladder truck performs a water rescue. She said that she was reminded of their previous experience in Greenwood with the flooded campground, where evacuations were necessary in the middle of the night. She said that there were heavy trucks and boats, so she was amused and wanted to learn more. She said that she recognized the importance of being prepared for emergencies like that.

Ms. Mallek said that she wanted to express her deep appreciation for the work of John Oprandy, Emergency Management Deputy Chief, in the Emergency Planning Department. She said that he made a significant impact on their community just two days into his new role, during the January snowstorm a couple of years ago. She said that his efforts helped get essential services to the residents at The Meadows, who had been neglected by their landlord. She said that the 48-hour response was a testament to his dedication and hard work, and she was grateful for his ongoing efforts.

Mr. Andrews said that he appreciated that they had the opportunity to share their story, and this was a great way to do it. He said that he was tempted to ask everyone to watch it again for one more time, but he thought they would save that for another occasion.

Agenda Item No. 13. From the Board: Committee Reports and Matters Not Listed on the Agenda.

Ms. McKeel stated she had nothing to report at this time.

Mr. Pruitt reported that at the recent Thomas Jefferson Planning District Commission (TJPD) meeting, a supervisor from Nelson County had made some interesting comments about the role of career technical education in the community. He said that he emphasized the importance of having an organic workforce locally, particularly when considering the concerns regarding the cost of housing. He said that this, in turn, raises questions about whether they need to import their workforce from Richmond or develop it locally. He said that this ties into some earlier conversations he had brought up earlier, which highlight the substantial migrant population in the construction workforce across the country, with approximately 20% of workers being migrants.

Mr. Pruitt said that as they look toward potential concerns from the federal administration on this issue, they should expect meaningful changes to their workforce, both locally and nationally. He said that the supervisor also shared some insightful thoughts on Piedmont Virginia Community College (PVCC)'s role and how it differs from neighboring community colleges. He said that the supervisor reported that in his experience, PVCC focuses on new-collar jobs, such as working-class jobs in tech-adjacent industries, rather than traditional blue-collar work. He said that this realization has prompted him to better understand the work being done at PVCC and ensure they were adequately serving the community's diverse needs.

Mr. Pruitt reported that they had a thorough and exciting conversation about the BEAD (Broadband Equity, Access, and Deployment) Program in the Broadband Authority yesterday. He said that this is the last mile program designed to serve the remaining households that would not be fully covered by the VATI (Virginia Telecommunications Initiative) deployment for broadband. He said that there are 327 eligible locations in Albemarle County, and the Broadband Authority plans to vet individual letters from service providers who believe they can serve these remaining locations once approval is received from the Board in January. He said that this will be an exciting area of work for the Broadband Authority moving forward.

Mr. Gallaway announced that next Wednesday at 2:00 p.m. was the quarterly meeting of the Central Virginia Regional Housing Partnership (RHP), which would be a virtual meeting. He said that the policy director and legislative affairs person from Virginia Housing would be providing a presentation on some predictions from the General Assembly related to housing issues, as well as other presentations

from members of their committee. He said that this may be of interest to those beyond just the appointed members of the body, so he would invite them to attend if they had some available time next Wednesday.

Ms. LaPisto-Kirtley announced that on Saturday at 10:00 a.m. would be the Grand opening for Biscuit Run Park, with it being open to the public beginning at 12:00 p.m. that day. She said that she was looking forward to it. She said that it was okay to dress casually, but it was going to be quite cold, so they would likely be wearing puffer coats. She said that in any case, she wished everyone a very Merry Christmas and Happy Holidays. She said that she would also like to express her appreciation for the hard work and dedication of their staff throughout the year. She said that as a Board, she felt they were extremely fortunate to have such a great, talented, and qualified staff in all areas.

Ms. Mallek reported that she had a brief update from the Workforce Center from the previous day. She said that the local agency had received an A+ performance review from the state, and met all of the goals except for one, which was 1% below target for dislocated workers due to the lack of major business disruptions this year. She said that their effort had been continually diversifying into agriculture, health, and healthy food, as well as working with school systems throughout the region. She said that she was very proud of what they had accomplished.

Ms. Mallek said that the budget had diversified significantly, with outside grants supplementing the money provided by local governments for special projects and also what the state takes. She said that this was a notable change, that the state takes 30% off the top of the federal funds for projects. She said that it was also interesting to note that the state had spent millions on consultants to do new planning and strategic reinvention of the system almost every year since she joined the Board in 2008. She said that her focus had been on getting services to individual people, those transitioning from one job to another or reentering the workforce and needing skills to start anew. She said that this required a collaborative effort from all parties involved.

Ms. Mallek reported that there had been a recent mailing about HB 206, which focused on protecting soils and food-producing land from solar projects. She said that she brought this topic up because they would be considering a solar ordinance in the upcoming year. She said that a concerning fact was that developers often stripped away all the timber on land before obtaining a permit, selling the topsoil, which took a thousand years to regrow, and then abandoned the land if they lost interest.

Ms. Mallek said that this had happened in the past, particularly in southwest Virginia, where developers had left behind thousand-acre disturbances. She said that everyone was left to deal with the aftermath, and the damage was severe. She said that she would like to ask everyone to consider ways they could collaborate with staff to establish some protections and processes on the ground in the new year. She said that this was particularly relevant, as she believed they could draw lessons from the past, such as when Airbnb attempted to exert national influence and state government tried to preempt localities from setting their own rules.

Ms. Mallek said that Albemarle County had already established its own regulations, which allowed them to maintain control and protect their ordinance. She said that as they moved forward, she encouraged everyone to think about this experience and how they could apply it to their current efforts. She said that she understood everyone had busy schedules, but they may need to focus on specific issues and prioritize their efforts to make progress before they lost another year. She said that she looked forward to seeing them at Biscuit Run at 10:00 a.m. on Saturday and the Wreath laying at 12:00 p.m.

Mr. Andrews reported that the ABBA (Albemarle Broadband Authority) meeting, as mentioned by Mr. Pruitt, was a very informative and productive meeting. He said that the meeting covered several key points, including VATI 2021, finalizing the invoice and submitting it to the Department of Health and Community Development (DHCD) for payment, which had been a lengthy process. He said that VATI 2022, Firefly was on schedule, Dominion making significant progress, having completed a substantial amount of work in getting the necessary infrastructure onto the poles and were now focusing on completing the splicing to prepare the miles for deployment.

Mr. Andrews said that their report highlighted the impact of the Board's funding for the Albemarle County Bridge Program, which had successfully kept 700 households connected which otherwise might have fallen off the rolls. He said that this success underscored the effectiveness of the broadband efforts and the Broadband Office. He said that this brought him to the saddest part of the report, which was that it was Mike Culp's last meeting; he would be retiring in the next month or so. He said that they celebrated him at the meeting, including recognition from former supervisors about his work and accomplishments. He said that the committee stated he was greatly impactful in bringing forward broadband for Albemarle.

Ms. Mallek asked if there were any efforts being made to address the providers who had contracts but were not performing. She said that for example, northwest Albemarle was in the 2021 cadre, yet they had seen zero work from anybody, and they seemed to be not doing anything. She said that as a result, she found herself repeatedly telling people that the expected completion year kept getting pushed back.

Mr. Andrews said that there were a limited number of areas where the 2021 plan should have been implemented, and there had been some issues, but these were a very small subset. He said that Mr. Culp and Jason Inofuentes would be able to assist in addressing that question.

Ms. Mallek said that within the past couple of months, the timeline had still been given as 2025. She said that it took years to get the work done before the final work got done, so since there had not

been any visible progress, she was wondering. She said that she was aware that there had been a discussion at the state level regarding non-performing partners, and the state was concerned about it. She said that she did not want the County's funds to be at risk because the state had taken theirs back and the County would not get theirs back.

Mr. Andrews asked Mr. Richardson if he had anything further to add at that time.

Mr. Richardson said that he believed the Board had received an email that mentioned their holiday party tomorrow at 2:00 p.m. at 5th Street. He said that he understood the supervisors were an extremely busy group of people, but if they had any way to come by and say hello, the employees would love to see them. He said that he also wanted to express his appreciation to Ms. Stumpf and her team for their efforts on the annual report. He said that he was proud of their staff in trying to pick what would make the most sense about the collaboration and partnership theme, as many of the things they did rely on their key partners to get them done.

Agenda Item No. 14. Closed Meeting.

At 3:40 p.m., Mr. Pruitt **moved** that the Board go into Closed Meeting pursuant to Section 2.2-3711(A) of the Code of Virginia:

- Under subsection (1), to discuss and consider the annual performance of the Clerk of the Board of Supervisors.

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

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

Mr. Gallaway left the meeting at 3:41 p.m.

Agenda Item No. 15. Certify Closed Meeting.

At 4:07 p.m., Mr. Pruitt **moved** that the Board of Supervisors certify by a recorded vote that, to the best of each supervisor's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting, were heard, discussed, or considered in the closed meeting.

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

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

Agenda Item No. 18. Adjourn.

At 4:08 p.m., the Board adjourned its meeting to January 8, 2025, 1:00 p.m. in Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA, 22902. Mr. Andrews said information on how to participate in the meeting would be posted on the Albemarle County website Board of Supervisors home page and on the Albemarle County calendar.

Chair

Approved by Board
Date: 10/01/2025
Initials: CKB