

The Board of Supervisors of Albemarle County, Virginia meeting on September 6, 2017, was held at 12:00 p.m., instead of the usual starting time of 1:00 p.m., to allow for an additional hour of public comment during the typical weekday lunch period for those who would like to speak. The meeting was held in the Lane Auditorium, 401 McIntire Road, Charlottesville, Virginia. The Chair called a special meeting for the purpose of discussing and taking action on items previously scheduled and posted on the Board's September 6, 2017 agenda.

PRESENT: Mr. Norman G. Dill, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, and Ms. Liz A. Palmer, Mr. Rick Randolph and Mr. Brad Sheffield.

ABSENT: None.

OFFICERS PRESENT: Interim County Executive, Doug Walker, County Attorney, Greg Kamptner, and Clerk, Claudette Borgersen, and Senior Deputy Clerk, Travis O. Morris.

Agenda Item No. 1. The meeting was called to order at 12:01 p.m., by the Chair, Ms. McKeel.

Ms. McKeel also introduced staff present and the presiding security officer, Curtis Kenney.

Agenda Item No. 2. Pledge of Allegiance.

Agenda Item No. 3. Moment of Silence.

Ms. McKeel led the Board and meeting attendees in a moment of silence. She asked that they keep in mind the victims and family members of recent violence in the community.

Agenda Item No. 4. Adoption of Final Agenda.

Ms. Palmer **moved** to adopt the final agenda. The motion was **seconded** by Ms. Mallek. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.

NAYS: None.

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

Ms. Mallek stated that while reviewing the minutes of the September 7, 2016 meeting, she noticed they had asked staff to present alternate funding methods for the Legal Aid Justice Center to the Board. She asked that staff make a presentation on this before the budget season begins.

Ms. Mallek stated that she also noticed while reviewing those same minutes that there was a presentation from the Pantops committee that worked with the fire station, and a lot of affirmations were made by committee members. She stated that she would love for them to provide the Board with an update on recruitment and related efforts.

Ms. Mallek announced that the second Rivanna River Conference will be held September 29, 2017 in the County Office Building, with presentations from federal, state and local officials. She stated that the wide-ranging agenda is available on the rivannariver.org website as well as on the Rivanna River Basin Commission website.

Ms. Mallek announced that a water festival will be held September 30, 2017, with boat rides, hiking, and biking along the Rivanna River Trail from Darden Towe Park to Riverview Park. She stated that Gabe Silver of the Rivanna River Company will provide kayaks and canoes, and there will be a band and other groups stationed along the river. She expressed hope for good weather and a large turnout.

Mr. Randolph stated that their thoughts are with families affected by Hurricane Harvey along the Gulf Coast as well as those in Florida and Puerto Rico who will be facing Hurricane Irma.

Ms. Palmer announced that Batesville Community Day is this Saturday in downtown Batesville.

Mr. Sheffield reminded everyone that the Batesville community had assisted in finding his lost dog, Abby, who had been missing for 10 days.

On behalf of the Board, Ms. McKeel offered condolences to family, friends, and coworkers of victims of the violence on August 12. She stated that the Board rejects hatred, violence, and racism. She stated that on August 12 they witnessed an atmosphere of intimidation, disrespect, and fear that is unacceptable. She reassured speakers before the Board that they have an environment of civility, respect, and safety with fair and equitable opportunity to express their views. She stated that the Board seeks to maintain decorum, as described on the back of the agenda, which includes addressing the Board as a whole and not as individuals, not allotting a speaker's time to another individual, and providing one opportunity per meeting for a speaker to address the Board. She stated that Supervisors do not

engage with speakers or respond to questions raised during the public comment session but hold these comments for future reflection. She stated that audience members are not to clap or express agreement or disagreement with a speaker and can express support for a speaker's comments by raising their hand.

Agenda Item No. 6. Proclamations and Recognitions.

There were none.

Agenda Item No. 7. From the Public: Matters Not Listed for Public Hearing on the Agenda.

Mr. Terry Hawkins, former Albemarle County Sheriff and Captain in the Police Department, addressed the Board and stated that he was born and raised in the County and has lived here for most of his life. He expressed support for the historical content and context of the statues. He recalled during his work in law enforcement that many people came from out of state to see the statues, and some couples asked to be married before the statues. He stated that removal of statues would set a dangerous precedent and next they would be removing statues of Washington and Jefferson. He stated that he had spoken with many of his former coworkers with the Charlottesville Police Department and feels they have been thrown under the bus. He stated that demonstrators were violent and throwing urine, bottles, and semen at police officers during the KKK rally, and officers were criticized by certain Charlottesville Councilors for being heavy handed. He stated that they were told not to be heavy handed before the second rally and as a result things got of hand, for which the City Council bears some responsibility.

Mr. Mason Hughes Pickett of the Rio District addressed the Board. He stated that the Mayor, City Council, Chief of Police, and City Manager are being criticized by the far left for not protecting them. He stated that they did try to protect them by advising them to stay away and provided alternative events for them to attend. He stated that he saw women with axe handles, kids with pipes, and people on both sides with long guns. Mr. Pickett stated that the Mayor is a newshound with future political aspirations who blows like the wind. He stated that Councilor Kristin Szakos is a socialist and probably a communist, though he stated that he could not prove this. He stated that Councilor Wes Bellamy is an interesting fellow. Mr. Pickett stated that he has lived in the area for three years and his mother's family has lived here for over 200 years.

Ms. Betsy Batten addressed the Board, stating that the confederate memorial is on County property and thus falls within the Board's jurisdiction. She stated that 20 years ago, she submitted a nomination to have the statue placed on the National Register as a local object that was contributing to Charlottesville and the historic downtown courthouse. She referenced a recent letter sent by Attorney General Mark Herring to Judy Langon of Virginia Department of Historic Resources, stating that confederate memorials on County property are protected under Section 2742 of the Code of Virginia by an act of the General Assembly in 1904. She stated that Mr. Herring explained the law permits counties to erect confederate monuments on public property and that once erected they may not be interfered with or disturbed by the locality or any other person. She stated that his letter indicates that monuments erected after 1904 fall under this law, and the confederate monument in Court Square was erected in 1909. Ms. Batten stated that there is good reason for many people to be offended by a statue that honors those who fought to defend slavery, but said that the confederate memorial is part of the County's heritage and cultural landscape and wonders whether its removal would heal the wounds of the past or open up other wounds in the present. She expressed support for maintaining the confederate memorial and suggested they add panels explaining its history, and commission a memorial of equal weight in honor of County residents who served in the Union Army as well as the 250 men born in the County who fought in the U.S. colored troops units. She provided a copy of her nomination to have the confederate memorial placed in the National Register.

Mr. Edward Strickler, resident of the Scottsville District, addressed the Board. He thanked Supervisors and County Officers for supporting Charlottesville during a very challenging summer and for keeping the County out of the vortex of evil associations and damaged reputations. He commented that in 2014, he had asked County Executive, Tom Foley, to prepare comments and thoughts about race relations in the County and Mr. Foley did a great job. Mr. Strickler noted that he had appended his response to the handout and asked the Board to update the comments on this topic. He stated that many ideas and beliefs had been passionately expressed this summer, with some in ways that incite or sustain violence, which is not tolerable. He asked the Board to protect County residents and visitors from violence while they fulfill their constitutional obligations. He quoted W.E.B. DuBois: "The problem of the 20th Century is the problem of the color line." He stated that Mr. DuBois and Reverend Dr. Martin Luther King, Jr. observed that the color line was not about color but was mostly about systems of segregation of color or using color and all the other unjust segregations across society codified in legal codes, reified in social structures, and perpetuated in countless aspects of tradition, custom, language, and culture. He asked that they make this century not about that color line and get rid of segregations that do not help anybody.

Ms. McKeel noted that several months ago they directed staff to assess all County historic buildings, monuments, structures, and statues as they do not have an inventory of what they have. She asked Mr. Walker for an update on this process.

Mr. Walker responded that they have formed a Historic Monuments Committee to develop understanding of historic context of buildings, monuments, structures and markers that are considered to have historical significance. He stated that the committee is comprised of staff from Facilities and Environmental Services, Parks and Recreation, and the Architectural History Board. He noted that they plan to provide an update to the Board in October.

Ms. McKeel asked Mr. Kamptner, if he has anything to add. Mr. Kamptner stated that his staff is reviewing the Virginia statute that restricts removal of the statue so they can provide the Board with proper legal guidance.

Ms. McKeel reminded them that she had recently sent a letter to elected representatives, at the Board's request, regarding funding for social services block grants. She stated that they are concerned as there had been previous attempts to cut block grants, which would affect the County's ability to respond to cases of child abuse and child protective services, adoptions, services for infants, youth, and children in foster care. She stated that she will place the letter in the record, noting that Senator Tim Kaine and Representative Tom Garrett had replied and she would like their letters entered into the record. Ms. McKeel said that Senator Kaine expressed his concern over possible cuts. She quoted a comment of Representative Garrett: "To be in control of one's own life is to be truly free. It is time the American people be returned some decision-making power, at least with regards to their own financial well-being." She paraphrased additional comments of Mr. Garrett that he believes decisions are best left to the family and not the government and that if the goal is to access affordable, high quality childcare, then the vehicle to achieve that goal should be the people and not the federal government. She stated that his response to their request is very disappointing in that he is essentially saying they are on their own, according to her interpretation.

Ms. Mallek expressed her support for placing letters in the record where they are easier to find.

Agenda Item No. 8. Consent Agenda.

(Discussion: Ms. Mallek asked that her assigned minutes be pulled.

Ms. Palmer asked that her assigned minutes be pulled.)

Mr. Randolph **moved** to approve the Consent Agenda, without the minutes mentioned previously. The motion was **seconded** by Ms. Mallek. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.
NAYS: None.

Item No. 8.1. Approval of Minutes: September 7, 2016; March 7, March 28, April 11, April 12, April 18, May 3, May 10, May 15, May 26, June 19, June 26, June 28, July 18, July 31, and August 4, 2017.

Ms. Mallek pulled the minutes of September 7, 2016, and May 15, May 26 and June 28, 2017, and carried them forward to the next meeting.

Ms. Palmer pulled the minutes of April 12, May 3, 2017 – pages 1-30 (end Item #8.9), and August 4, 2017, and carried them forward to the next meeting.

Mr. Sheffield had read the minutes of March 7, March 28, April 11, and June 26, 2017, and found them to be in order.

Ms. McKeel had read the minutes of April 18, June 19 and July 18, 2017, and found them to be in order.

Mr. Dill had read the minutes of May 3, 2017, pages 30 (begin Item #8.9), and July 31, 2017, and found them to be in order.

Mr. Randolph had read the minutes of May 10, 2017, and found them to be in order.

By the above-recorded vote, the Board approved the minutes as read.

Item No. 8.2. FY 2018 Appropriations.

The Executive Summary forwarded to the Board states that Virginia Code §15.2-2507 provides that any locality may amend its budget to adjust the aggregate amount to be appropriated during the fiscal year as shown in the currently adopted budget; provided, however, any such amendment which exceeds one percent of the total expenditures shown in the currently adopted budget must be accomplished by first publishing a notice of a meeting and holding a public hearing before amending the budget. The Code section applies to all County funds, i.e., General Fund, Capital Funds, E911, School

Self-Sustaining, etc. The total increase to the FY 18 budget due to the appropriations itemized below is \$1,351,541.00. A budget amendment public hearing is not required because the amount of the cumulative appropriations does not exceed one percent of the currently adopted budget.

This request involves the approval eight (8) appropriations as follows:

- One (1) Appropriation (#2018019) to appropriate \$800,000.00 for capital projects;
- One (1) Appropriation (#2018020) to appropriate \$85,200.00 in State revenue from the Virginia Department of Conservation and Recreation for the Hollymead Dam Spillway Improvement Capital project. This appropriation will not increase the total County budget;
- One (1) Appropriation (#2018021) to appropriate \$155,654.00 in new ongoing State and Federal revenues and Federal (CSCAP) revenues to hire one (1) full time Child Protective Services Worker and one (1) full time Family Preservation Services Worker for DSS;
- One (1) Appropriation (#2018022) to appropriate \$210,977.00 from the School Division Instructional Category to the School Division Facilities Category. This appropriation will not increase the total County budget;
- One (1) Appropriation (#2018023) to appropriate \$2,000.00 to the Police Department for the electronic summons system program; • One (1) Appropriation (#2018024) to appropriate \$37,757.00 from the Albemarle Charlottesville Regional Jail to the Reserve for Contingencies and \$22,151.00 from the Reserve Contingencies for temporary staffing in the Department of Voter Registrations and Elections and County Executive's Office, Bright Stars Stipend budget amendment, and a stipend for Family Assessment and Planning Team's Parent Representative. This appropriation will not increase the total County budget;
- One (1) Appropriation (#2018025) to appropriate \$401,823.00 in Federal grant revenues for the recruitment and retention of Albemarle County Fire and Rescue volunteers; and
- (1) Appropriation (#2018026) to appropriate (\$7,936.00) for Facilities and Environmental Services Project Management Division (PMD) operations for contract services. This appropriation uses Reserve For Contingencies.

Staff recommends that the Board adopt the attached Resolution (Attachment B) to approve appropriations #2018019, #2018020, #2018021, #2018022, #2018023, #2018024, #2018025, and #2018026 for local government and school division projects and programs as described in Attachment A.

Appropriation #2018019		\$800,000.00
Source:	State Revenue	\$ 800,000.00
	Ivy Landfill Remediation*	\$ 200,000.00

*This portion of the appropriation does not increase the total County budget.

This request is to appropriate funding for the following purposes:

- This request is to appropriate \$800,000.00 in State revenue from the Virginia Department of Transportation to support the Berkmar Drive Extended - Lewis & Clark Drive Connector Road Study. This will fund the procurement of design consultant services to advance the design of approximately 5,280 feet of roadway to a level that will generate a more detailed and refined right of way/easement and construction cost estimate and to better compete for funding in the VDOT SMART Scale project review process. The design services will begin immediately and are expected to be completed in 8 months after notice to proceed. No local match is required by the County.
- This request is to appropriate \$200,000.00 to the Ivy Material Utilization Center Capital Project from the FY 17 Ivy Landfill Remediation project funding, which is no longer needed. (The source of the revenue for the Ivy Landfill Remediation project is currently the General Government CIP Fund fund balance.) This funding will be utilized to provide an adequate contingency and to fund the construction management costs for the Ivy Material Utilization Center Capital Project to allow the project to proceed immediately. This appropriation will not increase the total County budget.

Additional information: Pursuant to the Amended and Restated Ivy Material Utilization Center Programs Agreement dated May 4, 2016 between the County and the Rivanna Solid Waste Authority (RSWA), the County agreed to reimburse the RSWA for all construction costs of this facility. This project received eight bids on August 3, 2017 ranging from \$2.2M to \$3.1M with the two lowest bids being approximately \$17,000 apart. The overall cost projection is approximately \$470K over the currently appropriated budget; this variance includes an estimated cost of \$270K for a front-end loader tractor which is essential for the facility. To maintain the schedule agreed to by the Virginia Department of Environmental Quality (DEQ), this appropriation would allow the RSWA Board to award this project at a special RSWA board meeting in September with anticipation of site work to begin as soon as possible in order to proceed to meet the project completion goal in the fall of 2018. Value Engineering efforts will continue as well as a review of the type of tractor and options for its future purchase. Additional funding required for the tractor purchase will be included in a future budget request in FY 18 or FY 19.

Appropriation #2018020		\$0.00
This will not increase the total County budget.		
Source:	State Revenue	\$ 85,200.00

Water Resources Fund fund balance \$ (85,200.00)

This request is to appropriate \$85,200.00 in State grant revenue provided by the Virginia Department of Conservation and Recreation's 2017 Virginia Dam Safety, Flood Prevention and Protection Assistance Fund to support the Hollymead Dam Spillway Improvement Capital project for engineering design services to correct the Hollymead Dam spillway deficiencies. This appropriation request is to also equally reduce the use of Water Resources Fund fund balance supporting the project by way of transfer for no net increase to the total County budget.

Appropriation #2018021 **\$155,654.00**

Source:	State Revenue	\$ 42,460.00
	Federal Revenue	\$ 77,136.00
	Unrestricted Federal Revenue (CSCAP)	\$ 36,058.00

This appropriation request totals \$155,654.00 and is to appropriate new ongoing State and Federal revenues and Federal Central Services Cost Allocation Plans (CSCAP) revenues to hire one (1) full time Child Protective Services (CPS) Worker and one (1) full time Family Preservation Services (FPS) Worker in the Department of Social Services (DSS) to address new Virginia General Assembly CPS mandates and meet Virginia Department of Social Services and federally required performance standards. These additional DSS positions were approved by the Board of Supervisors on August 9, 2017.

Appropriation #2018022 **\$0.00**

This request will not increase the total County budget.

Source:	School Fund's Instructional Category	\$ 210,977.00
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This request is to appropriate the following School Division appropriation request approved by the School Board on July 13, 2017:

This request is to appropriate \$210,977.00 from the Instruction Category for Yancey Elementary School to the Facilities Category for Building Services. Scottsville Elementary School requires additional classroom space to accommodate students that are moving from Yancey Elementary School. The costs for providing the learning cottage, setup, utilities, etc. are Building Services expenses that were not part of the original budget adopted by the School Board. The School Division requests the Board appropriate these funds from monies that were originally budgeted in the Instruction Category for Yancey Elementary instructional expenses to the Facilities Category for Building Services to facilitate this transition.

Appropriation #2018023 **\$2,000.00**

Source:	Court Fees	\$ 2,000.00
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This request is to appropriate \$2,000.00 in court fees to the Police Department for the FY 18 operating costs of the electronic summons system pursuant to the Board of Supervisors' action at its August 2, 2017 meeting.

Appropriation #2018024 **\$0.00**

This request will not increase the total County budget.

Source:	Albemarle Charlottesville Regional Jail	\$ 37,757.00
	Reserve for Contingencies	\$ 22,151.00

This request is to appropriate funding to and from the Reserve for Contingencies as follows:

- Appropriate \$37,757.00 from the Albemarle Charlottesville Regional Jail (ACRJ) to the Reserve for Contingencies. This adjustment reflects the County's anticipated local share of support for the ACRJ based on the budget adopted by the ACRJ Board subsequent to the County's budget adoption;
- Appropriate \$10,765.00 from the Reserve for Contingencies to Department of Voter Registrations and Elections to provide temporary assistance for the November 2017 election due to higher than expected turnout than was anticipated in the adopted budget.
- Appropriate \$5,446.00 from the Reserve for Contingencies to the County Executive's Office to provide temporary part-time staffing for the planned absence of a current staff member. This assistance will provide management, tracking, and facilitation of various County Executive priority projects. Some overlap for training the temporary employee will be required in advance of the current staff member's departure.
- Appropriate \$3,940.00 from the Reserve for Contingencies to the Bright Stars Fund for Teacher Aide wages, Teacher stipends, and cell phone stipends requested during the budget process as part of level funding for this program and inadvertently omitted from the FY 18 Adopted Budget.
- Appropriate \$2,000.00 from the Reserve for Contingencies for a stipend for the Department of Social Services' (DSS) Family Assessment and Planning Team's (FAPT) Parent Representative to attend 20 meetings from January 2018 to June 2018. FAPT develops an individual family services plan for each child and family when Children's Services Act (CSA) funded services are requested and then recommends CSA expenditures based on this plan.

After the Board of Supervisors' approval of all of the September 6, 2017 appropriations, the FY 18 General Fund Reserve for Contingencies balance will be \$312,184.00.

Appropriation #2018025		\$401,823.00
Source:	Federal Revenue	\$ 401,823.00

This request is to appropriate \$401,823.00 in Federal revenues from FEMA’s Staffing for Adequate Fire and Emergency Response (SAFER) Grant received in August 2016 for the following two Albemarle County Fire and Rescue (ACFR) Recruitment and Retention projects:

- 1. A full marketing campaign to recruit new volunteers to increase the public’s interest in volunteering.
- 2. Training for leaders within all ACFR agencies to help ensure the retention of existing members.

Appropriation #2018026		(\$7,936.00)
Source:	School CIP Fund fund Balance	\$ 21,316.00
	General Gov’t CIP Fund fund Balance	\$ (33,704.00)
	Water Resources Fund fund Balance	\$ 4,452.00
	Reserve For Contingencies*	\$ 7,936.00

*This portion of the appropriation does not increase the total County budget.

This request is to appropriate consulting services totaling \$50,000.00 currently budgeted in the General Government’s CIP Fund to the Facilities and Environmental Services Project Management Division (PMD) operations. The consultant services will primarily be used to augment the PMD staff’s review of FY 19 – FY 23 Capital Improvement Plan project requests which are anticipated to be complex and/or experience high costs and will help identify unforeseen challenges and validate cost estimates due to the current volatile construction price market.

This request also amends the revenue source from \$50,000.00 in General Government CIP Fund fund balance funding to \$50,000.00 in various revenues supporting the PMD Internal Service Fund’s operating budget. The PMD operating budget is an internal service fund that charges an hourly rate for project management services for services rendered. Due to the variety of projects supported by PMD, the sources of revenues are provided proportionately as follows:

- Appropriate \$7,936.00 in the General Fund from the Reserve for Contingencies for Future Project Management Services
- Appropriate \$21,316.00 in School CIP Fund fund balance for Future Project Management Services
- Appropriate \$16,296.00 in General Government CIP Fund fund balance for Future Project Management Services
- Appropriate \$ 4,452.00 in Water Resources Fund fund balance for Future Project Management Services

This appropriation request will result in an overall net decrease to the total County budget of \$7,936.00.

After the Board of Supervisors’ approval of all of the September 6, 2017 appropriations, the FY 18 General Fund Reserve for Contingencies balance will be \$312,184.00.

By the above-recorded vote, the Board adopted the following resolution to approve Appropriations #2018019, #2018020, #2018021, #2018022, #2018023, #2018024, #2018025, and #2018026 for local government and school division projects and programs:

**RESOLUTION TO APPROVE
ADDITIONAL FY 18 APPROPRIATIONS**

BE IT RESOLVED by the Albemarle County Board of Supervisors:

- 1) That the FY 18 Budget is amended to increase it by \$1,351,541.00.
- 2) That Appropriations #2018019, #2018020, #2018021, #2018022, #2018023, #2018024, #2018025, and #2108026 are approved; and
- 3) That the appropriations referenced in Paragraph #2, above, are subject to the provisions set forth in the Annual Resolution of Appropriations of the County of Albemarle for the Fiscal Year ending June 30, 2018.

**COUNTY OF ALBEMARLE
APPROPRIATION SUMMARY**

APP#	ACCOUNT	AMOUNT	DESCRIPTION
2018019	4-9010-41020-441200-312350-1004	800,000.000	SA2018019 Berkmar Dr Ext-Lewis Clark Dr Connector Rd Study
2018019	3-9010-24000-324000-240231-1004	800,000.000	SA2018019 Berkmar Dr Ext-Lewis Clark Dr Connector Rd Study
2018019	4-9010-42042-442040-700006-1210	200,000.000	SA2018019 Ivy MUC from Ivy Landfill Remediation
2018019	4-9010-42042-442040-700008-1210	-200,000.000	SA2018019 Ivy MUC from Ivy Landfill Remediation
2018020	3-9100-24000-324000-240049-1304	85,200.000	SA2018020 Hollymead Dam Spillway DCR 2017 Grant for Dam Safety DSFP-41-17

2018020	3-9100-51000-351000-512050-9999	-85,200.000	SA2018020 Hollymead Dam Spillway DCR 2017 Grant for Dam Safety DSFP-41-17
2018020	3-1650-51000-351000-510100-9999	-85,200.000	SA2018020 Hollymead Dam Spillway DCR 2017 Grant for Dam Safety DSFP-41-17
2018020	4-1650-93010-493010-930202-9999	-85,200.000	SA2018020 Hollymead Dam Spillway DCR 2017 Grant for Dam Safety DSFP-41-17
2018021	3-1000-33000-333000-330020-1005	77,136.000	SA2018021 54.5% federal funding from BL 855 that can be appropriated to Federal Administrative Revenue
2018021	3-1000-24000-324000-240110-1005	42,460.000	SA2018021 30% state funding from BL 855 that can be appropriated to State Administrative Revenue
2018021	3-1000-33000-333000-330028-9999	36,058.000	SA2018021 Federal Cost Allocation
2018021	4-1000-53010-453010-110000-1005	98,072.000	SA2018021 2.0 FTE CPS Positions -Regular Salaries
2018021	4-1000-53010-453010-210000-1005	7,502.000	SA2018021 2.0 FTE CPS Positions -FICA/Medicare
2018021	4-1000-53010-453010-221000-1005	12,082.000	SA2018021 2.0 FTE CPS Positions -VRS
2018021	4-1000-53010-453010-241000-1005	1,284.000	SA2018021 2.0 FTE CPS Positions -Group Life
2018021	4-1000-53010-453010-231000-1005	19,556.000	SA2018021 2.0 FTE CPS Positions -Health Insurance
2018021	4-1000-53010-453010-232000-1005	500.000	SA2018021 2.0 FTE CPS Positions -Dental Insurance
2018021	4-1000-53010-453010-270000-1005	540.000	SA2018021 2.0 FTE CPS Positions -Worker's Compensation
2018021	4-1000-53010-453010-332104-1005	658.000	SA2018021 2.0 FTE CPS Positions -Computer/Printer maintenance
2018021	4-1000-53010-453010-520100-1005	640.000	SA2018021 2.0 FTE CPS Positions -Postage
2018021	4-1000-53010-453010-520300-1005	1,710.000	SA2018021 2.0 FTE CPS Positions -Office Phone (monthly charges) & Office Phone Equipment (\$700)
2018021	4-1000-53010-453010-160320-1005	720.000	SA2018021 2.0 FTE CPS Positions -Cell Phone (monthly charges)
2018021	4-1000-53010-453010-550100-1005	1,060.000	SA2018021 2.0 FTE CPS Positions - Travel/Training/Education
2018021	4-1000-53010-453010-550104-1005	530.000	SA2018021 2.0 FTE CPS Positions -Mileage
2018021	4-1000-53010-453010-600100-1005	1,130.000	SA2018021 2.0 FTE CPS Positions -Office Supplies
2018021	4-1000-53010-453010-601200-1005	270.000	SA2018021 2.0 FTE CPS Positions -Books & Subscriptions
2018021	4-1000-53010-453010-601700-1005	380.000	SA2018021 2.0 FTE CPS Positions -Copy Supplies
2018021	4-1000-53010-453010-800200-1005	6,320.000	SA2018021 2.0 FTE CPS Positions -Furniture
2018021	4-1000-53010-453010-800700-1005	2,700.000	SA2018021 2.0 FTE CPS Positions - Computer/Printer/Cabling
2018022	4-2000-62213-461101-137100-6113	-405.000	SA2018022
2018022	4-2000-62213-461101-152100-6113	-3,638.000	SA2018022
2018022	4-2000-62213-461101-154100-6113	-35.000	SA2018022
2018022	4-2000-62213-461101-160100-6113	-817.000	SA2018022
2018022	4-2000-62213-461101-160300-6113	-177.000	SA2018022
2018022	4-2000-62213-461101-210000-6113	-381.000	SA2018022
2018022	4-2000-62213-461101-420100-6113	-267.000	SA2018022
2018022	4-2000-62213-461101-520100-6113	-2.000	SA2018022
2018022	4-2000-62213-461101-540305-6113	-319.000	SA2018022
2018022	4-2000-62213-461101-550100-6113	-14.000	SA2018022
2018022	4-2000-62213-461101-600000-6113	-115.000	SA2018022
2018022	4-2000-62213-461101-600100-6113	-80.000	SA2018022
2018022	4-2000-62213-461101-600220-6113	-26.000	SA2018022
2018022	4-2000-62213-461101-601200-6113	-354.000	SA2018022
2018022	4-2000-62213-461101-601300-6113	-1,241.000	SA2018022
2018022	4-2000-62213-461101-800200-6113	-160.000	SA2018022
2018022	4-2000-62213-461102-154100-6113	-107.000	SA2018022
2018022	4-2000-62213-461102-210000-6113	-8.000	SA2018022
2018022	4-2000-62213-461411-155000-6113	-102.000	SA2018022
2018022	4-2000-62213-461411-210000-6113	-8.000	SA2018022
2018022	4-2000-62213-461411-331100-6113	-44.000	SA2018022
2018022	4-2000-62213-461411-540100-6113	-709.000	SA2018022
2018022	4-2000-62213-461411-550100-6113	-16.000	SA2018022
2018022	4-2000-62213-461411-580501-6113	-89.000	SA2018022
2018022	4-2000-62213-461411-600100-6113	-71.000	SA2018022
2018022	4-2000-62213-461411-600200-6113	-44.000	SA2018022
2018022	4-2000-62213-461411-600260-6113	-53.000	SA2018022
2018022	4-2000-62213-461411-601300-6113	-124.000	SA2018022
2018022	4-2000-62213-461411-601600-6113	-18.000	SA2018022
2018022	4-2000-62213-461411-601700-6113	-71.000	SA2018022
2018022	4-2000-62213-461565-112100-6113	-3,668.000	SA2018022
2018022	4-2000-62213-461565-114100-6113	-5,985.000	SA2018022
2018022	4-2000-62213-461565-160110-6113	-580.000	SA2018022
2018022	4-2000-62213-461565-210000-6113	-783.000	SA2018022
2018022	4-2000-62213-461565-221000-6113	-518.000	SA2018022
2018022	4-2000-62213-461565-222100-6113	-332.000	SA2018022
2018022	4-2000-62213-461565-231000-6113	-2,456.000	SA2018022
2018022	4-2000-62213-461565-232000-6113	-61.000	SA2018022
2018022	4-2000-62213-461565-241000-6113	-39.000	SA2018022
2018022	4-2000-62213-461565-242000-6113	-51.000	SA2018022
2018022	4-2000-62213-461570-112100-6113	-37,719.000	SA2018022
2018022	4-2000-62213-461570-114100-6113	-3,634.000	SA2018022
2018022	4-2000-62213-461570-160110-6113	-982.000	SA2018022
2018022	4-2000-62213-461570-210000-6113	-3,239.000	SA2018022
2018022	4-2000-62213-461570-221000-6113	-6,798.000	SA2018022
2018022	4-2000-62213-461570-222100-6113	-314.000	SA2018022
2018022	4-2000-62213-461570-231000-6113	-8,170.000	SA2018022
2018022	4-2000-62213-461570-232000-6113	-234.000	SA2018022
2018022	4-2000-62213-461570-241000-6113	-507.000	SA2018022
2018022	4-2000-62213-461570-242000-6113	-27.000	SA2018022
2018022	4-2000-62213-461575-112100-6113	-28,194.000	SA2018022
2018022	4-2000-62213-461575-160110-6113	-380.000	SA2018022
2018022	4-2000-62213-461575-210000-6113	-2,186.000	SA2018022
2018022	4-2000-62213-461575-221000-6113	-5,015.000	SA2018022

2018022	4-2000-62213-461575-231000-6113	-4,654.000	SA2018022
2018022	4-2000-62213-461575-232000-6113	-133.000	SA2018022
2018022	4-2000-62213-461575-241000-6113	-374.000	SA2018022
2018022	4-2000-62213-461802-114100-6113	-70.000	SA2018022
2018022	4-2000-62213-461802-210000-6113	-6.000	SA2018022
2018022	4-2000-62213-461802-221000-6113	-11.000	SA2018022
2018022	4-2000-62213-461802-222100-6113	-356.000	SA2018022
2018022	4-2000-62213-461802-241000-6113	-1.000	SA2018022
2018022	4-2000-62213-461802-242000-6113	-77.000	SA2018022
2018022	4-2000-62213-461862-112100-6113	-6,387.000	SA2018022
2018022	4-2000-62213-461862-160110-6113	-131.000	SA2018022
2018022	4-2000-62213-461862-210000-6113	-499.000	SA2018022
2018022	4-2000-62213-461862-221000-6113	-1,144.000	SA2018022
2018022	4-2000-62213-461862-231000-6113	-517.000	SA2018022
2018022	4-2000-62213-461862-232000-6113	-15.000	SA2018022
2018022	4-2000-62213-461862-241000-6113	-85.000	SA2018022
2018022	4-2000-62213-461892-112300-6113	-6,861.000	SA2018022
2018022	4-2000-62213-461892-160110-6113	-2.000	SA2018022
2018022	4-2000-62213-461892-210000-6113	-525.000	SA2018022
2018022	4-2000-62213-461892-221000-6113	-1,205.000	SA2018022
2018022	4-2000-62213-461892-231000-6113	-1,293.000	SA2018022
2018022	4-2000-62213-461892-232000-6113	-37.000	SA2018022
2018022	4-2000-62213-461892-241000-6113	-90.000	SA2018022
2018022	4-2000-62213-461902-112200-6113	-11,380.000	SA2018022
2018022	4-2000-62213-461902-160110-6113	-210.000	SA2018022
2018022	4-2000-62213-461902-210000-6113	-887.000	SA2018022
2018022	4-2000-62213-461902-221000-6113	-2,034.000	SA2018022
2018022	4-2000-62213-461902-241000-6113	-152.000	SA2018022
2018022	4-2000-62213-461912-112600-6113	-23,035.000	SA2018022
2018022	4-2000-62213-461912-115000-6113	-12,758.000	SA2018022
2018022	4-2000-62213-461912-210000-6113	-2,738.000	SA2018022
2018022	4-2000-62213-461912-221000-6113	-6,146.000	SA2018022
2018022	4-2000-62213-461912-231000-6113	-5,171.000	SA2018022
2018022	4-2000-62213-461912-232000-6113	-148.000	SA2018022
2018022	4-2000-62213-461912-241000-6113	-459.000	SA2018022
2018022	4-2000-62213-461912-242000-6113	-19.000	SA2018022
2018022	4-2000-62433-462420-540200-6505	210,977.000	SA2018022
2018023	3-1000-14000-314000-140108-1000	2,000.000	SA2018023 Police: Electronic Summons System
2018023	4-1000-31013-431010-690020-1003	2,000.000	SA2018023 Police: Electronic Summons System
2018024	4-1000-12010-412010-130000-1001	5,059.000	SA2018024 CE: temp assistance - PT wages
2018024	4-1000-12010-412010-210000-1001	387.000	SA2018024 CE: temp assistance - FICA
2018024	4-1000-13020-413020-130000-1001	10,000.000	SA2018024 Registrar: temp assistance - PT wages
2018024	4-1000-13020-413020-210000-1001	765.000	SA2018024 Registrar: temp assistance - FICA
2018024	4-1000-33020-433020-700002-1003	-37,757.000	SA2018024 ACRJ adjustment
2018024	4-1000-53010-453010-312210-1005	2,000.000	SA2018024 Contract Services Mgmt. -DSS Parent Representative Stipend
2018024	4-1000-53010-453010-930208-1005	3,940.000	SA2018024 Transfer from GF to Bright Stars
2018024	4-1000-99900-499000-999990-9999	15,606.000	SA2018024 Reserve for Contingencies
2018024	3-1553-51000-351000-512004-9999	3,940.000	SA2018024 Transfer from GF
2018024	4-1553-51155-453010-154100-1005	700.000	SA2018024 Budget Correction - Sub/Wages-Teacher Aide
2018024	4-1553-51155-453010-160110-1005	1,800.000	SA2018024 Budget Correction - Teacher Stipend
2018024	4-1553-51155-453010-160320-1005	1,440.000	SA2018024 Budget Correction - Cell - Stipend
2018025	3-1542-33000-333000-300001-1003	401,823.000	SA2018025 FEMA R&R Federal Grant Revenue
2018025	4-1542-32016-432010-110000-1003	45,000.000	SA2018025 Salaries-Regular - FF2 in house instructors
2018025	4-1542-32016-432010-120000-1003	15,000.000	SA2018025 Overtime Wages - FF2 in house instructors
2018025	4-1542-32016-432010-301200-1003	38,000.000	SA2018025 Contract-Services-Other- IAFC Contract
2018025	4-1542-32016-432010-312500-1003	20,000.000	SA2018025 Prof Ser Instructional – Leadership Training and FF2
2018025	4-1542-32016-432010-360000-1003	80,000.000	SA2018025 Advertising- Marketing
2018025	4-1542-32016-432010-311000-1003	12,120.000	SA2018025 Health Services
2018025	4-1542-32016-432010-601104-1003	180,000.000	SA2018025 F R Turnout Gear - SAFER funded turnout gear
2018025	4-1542-32016-432010-390030-1003	11,703.000	SA2018025 Indirect Administrative Costs
2018026	4-9010-91046-443100-312360-9999	-50,000.000	SA2018026 Contract Services from CIP to PMD
2018026	3-9010-51000-351000-510100-9999	-50,000.000	SA2018026 Contract Services from CIP to PMD
2018026	4-1925-43100-443100-312210-1004	50,000.000	SA2018026 Contract Services from CIP to PMD
2018026	3-1925-16000-316000-160560-1004	50,000.000	SA2018026 Contract Services from CIP to PMD
2018026	4-9100-91046-482040-312366-9999	4,452.000	SA2018026 Contract Services from CIP to PMD
2018026	3-9100-51000-351000-512050-9999	4,452.000	SA2018026 Contract Services from CIP to PMD
2018026	3-1650-51000-351000-510100-9999	4,452.000	SA2018026 Contract Services from CIP to PMD
2018026	4-1650-93010-493010-930202-9999	4,452.000	SA2018026 Contract Services from CIP to PMD
2018026	3-9010-51000-351000-510100-9999	16,296.000	SA2018026 Contract Services from CIP to PMD
2018026	4-9010-91046-443100-312366-9999	16,296.000	SA2018026 Contract Services from CIP to PMD
2018026	3-9000-69000-351000-510100-6599	21,316.000	SA2018026 Contract Services from CIP to PMD
2018026	4-9000-69000-464600-312366-6599	21,316.000	SA2018026 Contract Services from CIP to PMD
2018026	4-1000-99900-499000-999950-9999	-7,936.000	SA2018026 Contract Services from CIP to PMD
2018026	4-1000-43100-443100-312366-1004	7,936.000	SA2018026 Contract Services from CIP to PMD
TOTAL		1,049,466.000	

Item No. 8.3. Scottsville Levee/Dam Maintenance Memorandum of Agreement (MOA).

The Executive Summary forwarded to the Board states the Board of Supervisors' minutes indicate that as early as 1990 there was discussion of County financial assistance to the Town of Scottsville for the maintenance of the pumping station. Although there was no written agreement, since 1991 the County has budgeted to pay 50% of documented maintenance cost of the pumping station. In

2014, staff raised questions regarding eligibility of certain costs for reimbursement. Further payments were discontinued until the County and Town formalized the financial agreement in a Memorandum of Agreement (MOA).

Staff has prepared a draft MOA (Attachment A) that will eliminate past ambiguity regarding eligible costs. The MOA establishes a fixed, annual contribution to the Town for maintenance of the levee and dam beginning in FY2018. The first year's contribution would be \$17,000.00. This figure is based on 50% of the average annual cost incurred by the Town (Apr 2013 - Mar 2016) plus an annual capital renewal investment. The \$17,000.00 would be indexed for inflation in subsequent years. The annual contribution would be paid at the end of each fiscal year upon the Town's written certification that it has established and maintained, 1) all improvements prescribed in the Operation and Maintenance Manual, Local Flood Protection Project, Town of Scottsville (Attachment B), 2) all required permits, and 3) a capital renewal fund, into which \$2,000.00 of each annual County contribution has been deposited.

No additional funding for FY2018 would be required to support this MOA.

If the Board wishes to enter into this agreement, staff recommends that the Board adopt the attached resolution (Attachment C) approving the MOA.

By the above-recorded vote, the Board adopted the following resolution to approve Memorandum of Agreement to provide financial assistance to the Town of Scottsville for levee/dam maintenance:

**RESOLUTION TO APPROVE THE MEMORANDUM OF AGREEMENT
BETWEEN THE TOWN OF SCOTTSVILLE
AND THE COUNTY OF ALBEMARLE**

WHEREAS, the Board finds that it is in the best interest of the County to enter into a Memorandum of Agreement with the Town of Scottsville regarding the County's financial assistance to the Town for the maintenance and operation of the A. Raymon Thacker Flood Control System in and around the Town.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Albemarle County, Virginia hereby approves the Memorandum of Agreement with the Town of Scottsville and authorizes the Interim County Executive to execute the Memorandum of Agreement on behalf of the County once it has been approved as to substance and form by the County Attorney.

MEMORANDUM OF AGREEMENT

Between the Town of Scottsville and the County of Albemarle

1. **Purpose.** This agreement is hereby made by and between the Town of Scottsville (hereinafter, the "Town") and the County of Albemarle (hereinafter, the "County") to establish the County's voluntary payments to the Town for the maintenance and operation of the A. Raymon Thacker Flood Control System.
2. **Annual Contributions; Initial Amount.** The County hereby agrees to make annual contributions to the Town for the maintenance and operation of the A. Raymon Thacker Flood Control System. The County's initial annual contribution (for fiscal year 2018) shall be \$17,000. This and subsequent contributions shall be in lieu of any other contributions, such as any reimbursement(s) of actual expenses incurred.
3. **Adjustment of Contribution Amounts.** After the initial County contribution (for fiscal year 2018), the annual County contribution shall be indexed for inflation and shall be calculated by first establishing a fraction, the numerator of which shall be the level of the CPI Index (as defined herein) as of April 1 in the subsequent years, and the denominator of which shall be the level of the CPI Index as of April 1, 2018. The resulting fraction shall be multiplied by \$17,000 to determine the County's contribution for the year. The contribution figure shall be revised each year based upon this formula. The CPI Index shall be the U.S. Bureau of Labor Statistics Consumer Price Index (all items, all urban consumers, 1982-1984 = 100). If the CPI Index shall be discontinued, the County shall designate an appropriate substitute index or formula having the same general acceptance as to use and reliability as the CPI Index and such substitute shall be used as if originally designated herein. Notwithstanding the foregoing, in no event shall this adjustment cause the contribution for any fiscal year to decrease below \$17,000.
4. **Conditions and Terms of County Contributions.** The County's annual contributions shall be payable to the Town on or before June 30, before the close of each fiscal year, contingent upon the Town's written certification that it has established and maintained:
 - o all improvements prescribed in the Operation and Maintenance Manual, Local Flood Protection Project, Town of Scottsville, Virginia (dated September 1993), which is incorporated herein by reference;
 - o all required permits; and
 - o a capital renewal fund, into which \$2,000.00 of each annual County contribution has been deposited.

To facilitate timely payment of the County's annual contribution on or before June 30 of each fiscal year, the Town shall deliver the above certification to the County on or before May 31 of each fiscal year.

5. Effective Date and Termination. This agreement shall be effective upon the signatures of the Town Administrator and the County Executive indicated below and shall remain in effect until modified or terminated by either party. The parties agree to review this agreement every two years. Either party may terminate or amend its participation in this agreement by notifying the other of its intent thirty days prior to such termination.

Amy E. Moyer, Interim Town Administrator
Town of Scottsville, Virginia

Douglas C. Walker, Interim County Executive
County of Albemarle

Date

Date

Item No. 8.4. Implementation of \$25.00 Will Probate Fee.

The Executive Summary forwarded to the Board states that the 2010 session of the General Assembly enacted Virginia Code § 58.1-1717.1 and amended Virginia Code §§ 58.1-1718 and 58.1-3805 to authorize localities to charge a \$25.00 fee for the recordation of a list of heirs or an affidavit. This fee is assessed unless a will has been probated for the decedent or there has been a grant of administration on the decedent's estate.

Pursuant to Virginia Code §58.1-3806 and current County Code § 15-501, the fee would be collected by the clerk of the circuit court and remitted to the County's Director of Finance, and would be used to fund the maintenance, repair, and purchase of recording devices for the Circuit Court Clerk's Office upon appropriation of those funds by the Board.

Jon Zug, Clerk of the Albemarle County Circuit Court, estimates that the collection of this fee would generate an average of approximately \$625.00 - \$750.00 in revenue each year.

Staff recommends that the Board schedule a public hearing to consider the adoption of the attached proposed ordinance (Attachment A) on October 4, 2017.

By the above-recorded vote, the Board set the public hearing to consider an ordinance amendment to impose a will probate fee in the amount of \$25.00 for October 4, 2017.

Item No. 8.5. Riverside Village Sewer Easement.

The Executive Summary forwarded to the Board states that the Albemarle County Service Authority (ACSA) has requested that the County grant an easement for the installation of a sanitary sewer line on or adjacent to the Riverside Village Park (Parcel 078G0-00-06-000A0), which the County owns.

The subject property was dedicated to the County for use as a public park. The specific location of the proposed easement is set forth in the attached plat (Attachment A). The sewer line would be buried within the easement and there would be no above ground facilities. The proposed easement would not interfere with the use of the property as a public park.

Virginia Code § 15.2-1800 requires that the Board hold a public hearing prior to conveyance of this interest in County-owned real property.

There is no budget impact.

Staff recommends advertising a future public hearing to authorize conveyance of the requested ACSA easement in a form approved by the County Attorney.

By the above-recorded vote, the Board set the public hearing to authorize conveyance of the requested Albemarle County Service Authority (ACSA) easement in a form approved by the County Attorney.

Item No. 8.6. Southern Cross Farm Road Name Change.

The Executive Summary forwarded to the Board states that the property owner of Southern Cross Farm is requesting to change the road name of Southern Cross Farm to Mooring Farm Lane.

The landowner of the property served by Southern Cross Farm has submitted a request to change the road name of Southern Cross Farm to Mooring Farm Lane. In accordance with the Road Naming and Property Numbering Ordinance and Manual (Part 1 Section 6(e)) the road can be renamed with the approval of a majority of the property owners. Staff has reviewed the road name request for Southern Cross Farm at its intersection with Louisa Road, and the property owner has signed a letter of agreement to the new road name

New road signs will be fabricated to replace the existing Southern Cross Farm sign(s) and the property owner is responsible for the cost.

Staff recommends that the Board approve changing the road name of Southern Cross Farm to Mooring Farm Lane and authorize staff to implement the change.

By the above-recorded vote, the Board approved changing the road name of Southern Cross Farm to Mooring Farm Lane, and authorized staff to implement the change.

Item No. 8.7. County Grant Application/Award Report, ***was received for information.***

The Executive Summary forwarded to the Board states that pursuant to the County's Grant Policy and associated procedures, staff provides periodic reports to the Board on the County's application for and use of grants.

The attached Grants Report (Attachment A) provides brief descriptions of one (1) grant award received during the time period of July 12, 2017 through August 12, 2017. This report also includes a comprehensive look at potential Five Year Financial Plan implications if projects and/or programs that are supported by grants are continued with local funding after the grants end. As grant funding ends, recommendations will be included in the County Executive's proposed annual budgets for the Board's consideration as to whether local funding should be used to continue those projects and programs. No County funds will be used to fund the continuation of those projects and programs without Board approval.

Additionally, Albemarle County is interested in applying for a Virginia Department of Housing and Community Development (DHCD) Planning Grant to support needs identification and weigh the feasibility of making capital improvements to one or two closed elementary school sites in southern Albemarle County. Included in Attachment B is a copy of the County's letter of interest expressing Albemarle County's interest in applying for either a planning grant to perform a needs assessment and community engagement effort to determine the needs and feasibility to improve either or both of the Scottsville and Yancey school sites.

If the DHCD Planning Grant is received, no local match would be required. Any budget impacts are noted in the summary of each grant included in Attachment A.

This report is to provide information only. No action is required.

GRANT REPORT ACTIVITY – July 12, 2017 through August 12, 2017

No applications were made during this time.

Awards received during this time.

Granting Entity	Grant Project	Type	Amount Awarded	Match Required	Match Source	Department	Purpose
Department of Criminal Justice Services	Victim Witness Assistant Grant Program	Federal and State	\$131,692	\$0	Departmental	Police	These grant funds will be used to continue to fund the Victim Witness Program within the Police Department.

Comprehensive Look at Potential Five Year Financial Plan Grant Impacts:

The following chart includes grants that are expected to end within the next five years and an estimate of the County's cost over the next five years if the grant-supported position, project or program is continued after the grant ends. The continuation of those positions, projects and programs will be considered as part of the County's annual budget process.

Byrne Justice Grants have 10% match first year, 25% 2nd, 50% 3rd, 75% 4th and 100 percent in 5th year. Updated FY18 to match request

Grant Entity	Grant Name	Summary	# of FTE	Designation of Current Budget Match	Expected End Date	FY18 Grant Amount*	Potential Financial Impact - Includes Five Year Plan salary assumptions				
							FY19	FY20	FY21	FY22	FY23
Virginia Department of Criminal Justice Service	FY16 Byrne/Justice Assistance Grant (JAG) Law Enforcement	This grant provides funding for a current police Sergeant position to form and lead the new Problem Oriented Policing (POP) Team and includes overtime/equipment/ supporting costs. This grant requires the local match to increase each year with the goal at the end of the grant to be for a full time employee to be hired and associated costs to be absorbed in the department.	1	Grants Leveraging Fund	6/30/2020	\$69,950.00	\$ 104,925.00	\$ 139,900.00	\$ 139,509.00	\$ 139,509.00	\$ 139,509.00
							\$ 104,925.00	\$ 139,900.00	\$ 139,509.00	\$ 139,509.00	\$ 139,509.00

*does not include local match funds

The following chart includes an estimate of the County's cost over the next five years for the replacement of equipment that was purchased with grant funding. The replacement of such equipment will be considered as part of the County's annual budget process.

						Potential Financial Impact					
Grant Entity	Grant Name	Summary	# of FTE	Designation of Current Budget Match	Actual End Date	FY19	FY20	FY21	FY22	FY23	
Federal Emergency Management Agency	2006 Assistance to Firefighters	This grant provided funds for the purchase of turnout gear in 2006. The equipment life is now expiring and the estimated amount of approximately \$140,000, which is typically budgeted in a given year for this expense, is now estimated to be inadequate to replace the equipment over time. The additional funds listed in this chart reflects the additional costs estimated to replace this equipment each year. Costs in the out years is estimated to decrease due to the newly centralized management process and expected efficiencies.	0	Fire Rescue Fund	6/30/2006	\$ 191,800.00	Starting in FY20 the turnout gear purchased with this grant will have been replaced based on the date of manufacture of 2008 and a useful life of 10 years after the date of manufacture.				
Virginia Department of Emergency Management	Equipment Grant	This grant provided funds for the purchase of fitness equipment. The equipment life span is expiring.	0	Fire Rescue Fund	6/30/2009	\$ 53,345.00	\$ 54,934.00	TBD	TBD	TBD	
						\$ 245,145.00	\$ 54,934.00	\$ -	\$ -	\$ -	

Item No. 8.8. Albemarle County 2017 2nd Quarter Building Report, ***was received for information.***

The report states that during the second quarter of 2017, 173 building permits were used for 254 dwelling units. There were no permits issued for a mobile home in an existing park. There were no permits issued for the conversion of an apartment to a condominium.

Item No. 8.9. Albemarle County 2017 2nd Quarter Certificate of Occupancy Report, ***was received for information.***

The report states that during the second quarter of 2017, 123 certificates of occupancy were issued for 132 dwelling units. There were no permits issued for a mobile home in an existing park. There were no certificates of occupancy issued for the conversion of an apartment to a condominium.

Item No. 8.10. Board-to-Board, August 2017, A monthly report from the Albemarle County School Board to the Albemarle County Board of Supervisors, ***was received for information.***

Item No. 8.11. Copy of letter dated July 31, 2017, from Mr. Ronald L. Higgins, Chief of Zoning, to Ms. Shirley M. Cook Estate c/o Lynda K. Stephens, Executor., ***re: LOD 201700013- OFFICIAL DETERMINATION OF PARCEL OF RECORD & DEVELOPMENT RIGHTS – Parcel ID 056A1-01-00-07200 (Property of Shirley M. Cook Estate) – White Hall Magisterial District, was received for information.***

Agenda Item No. 9. FY 19 Operating and Capital Budget Calendar and Recommendations for CIP Development Process Improvements.

The Executive Summary presented to the Board states that the process of developing the County's Operating Budget for Fiscal Year 19 (FY 19) and the Capital Improvements Program (CIP) for FY19-23 is underway. On an annual basis staff provides a proposed budget calendar and highlights any other staff recommendations regarding process modifications.

This Executive Summary includes two attachments for the Board's review and consideration. Attachment A includes the proposed FY 19 budget development calendar and Attachment B includes recommendations for improvements to the upcoming CIP Development process.

Attachment A provides a preliminary budget calendar for the FY 19 budget process. The budget development calendar establishes specific dates for Board meetings and public hearings on the tax rate, the budget, and the CIP. Staff will continue to provide the public with as much notice as possible for planned community engagement opportunities, public hearings and work sessions associated with the

development of the upcoming budgets.

There are several dates that are driven by Virginia Code requirements which are reflected in the attached calendar:

- Localities with a first-half tax year collection in June must adopt the tax rate on or before May 15.
- There must be at least seven days between the public advertisement of the budget public hearing and the actual hearing date.
- There must be at least seven days between the public hearing and the adoption of the budget.
- Localities must provide at least 30 days' notice of the tax rate public hearing if the reassessment would result in an increase of one percent or more in the total real property tax levied compared to the prior year's tax levies. Prior to 2009, the requirement was seven days' notice.

In addition to these Virginia Code requirements, the School Board and School Division staff has requested that a public hearing be scheduled so that it does not coincide with Spring Break.

The preliminary budget calendar for the FY 19 budget process meets the Virginia Code requirements and the School Board's request. Additionally, this calendar assumes that the reassessment would result in an increase of one percent or more in the total real property tax levied in Calendar Year (CY) 18 compared to CY 17, and incorporates the necessary 30 days' notice into the schedule.

Attachment B includes recommendations for improvements to the upcoming CIP Development process.

None.

Staff recommends that the Board adopt the preliminary budget calendar set forth in Attachment A and concurs with staffs' recommendation for improvements to the upcoming CIP Development process.

Ms. Lori Allshouse, Director of the Office of Management and Budget, presented. She stated that she has three items for them, with the first being the budget calendar for the upcoming year. She said she will also review CIP Oversight Committee recommendations and seek Board approval and then review next steps. She stated that there were several considerations when planning the budget calendar, with the first being legal requirements regarding the tax rate and public hearings. She said the County Attorney had reviewed the calendar and determined it meets legal requirements. Ms. Allshouse stated that they aimed to have the tax rate adopted as close to April 15 as possible in order to meet requirements regarding issuance of tax bills and to provide opportunity for public engagement. She stated that they were mindful of the School Division's contract agreement requirements and had added some key School Division budget dates.

Ms. Allshouse reviewed highlights of the budget calendar, noting that from September to December they would work on long-range financial planning including the Two-Year Balanced Fiscal Plan and the Capital Improvement Plan (CIP). She noted the key dates of January 18 when the Superintendent of schools presents the budget request to the School Board and February 16 when the County Executive presents a recommended budget to the Board of Supervisors. She stated that the period of February to March involves many intensive work sessions and public hearings, with the Board scheduled to approve funding for advertising as well as a proposed budget on March 5. She stated that March through April will involve additional work sessions and another public hearing, with the Board setting the tax rate and approving the FY19 on April 17, and noted the calendar is attached to the Executive Summary.

Ms. Allshouse stated that she would share six recommendations of the Oversight Committee and seek Board comment. She stated that the first recommendation was to adjust the Committee's charge to consider longer range CIP planning; the second was to hold a CIP 101 orientation meeting in the fall for both CIP Committee members as well as people from other boards; the third was to hold a regular long range planning meeting which would involve the Board of Supervisors, School Board, and Planning Commission. She noted these three Boards will meet in February and suggested the Board consider holding this session at that time.

Mr. Dill asked what Ms. Allshouse means by "long term." Ms. Allshouse replied that it would be 10 years and they refer to it as the Capital Needs Assessment (CNA).

Ms. Allshouse reviewed the fourth recommendation, which was to have the Technical Review Committee comprised of staff score maintenance and replacement projects using a scoring matrix. She stated that there had been a request this year not to have the Technical Review Committee score projects.

Ms. Mallek commented that the reason for not having them score projects this year was that it seems to be an inefficient use of staff time when the Board would take care of maintenance anyway. Ms. Allshouse stated that a fifth recommendation was to adjust the CIP Project Scoring Matrix to better align with the strategic plan and with quality-of-life issues.

Ms. Palmer asked for an example of a change. Ms. Allshouse offered to distribute an example and presented a slide that highlighted some of the adjustments. She stated that they had added the category of Strategic Initiatives Alignment, with special emphasis on urban revitalization and redevelopment of the Route 29 and Rio Road intersection area. She said that they removed the scoring category of regulatory compliance as it was considered to be redundant as these projects were mandated and must be done. She stated that they combined the Infrastructure category with Quality-of-Life, and they also made adjustments to the weighted percentages by increasing Quality-of-Life from 10% to 20% and decreasing Sustainability and Energy Efficiency from 10% to 5%.

Mr. Randolph asked what category was adjusted for the additional 5%. Mr. Allshouse responded that she did not have this information and offered to provide this to the Board, as well as the additional criteria used.

Ms. Palmer asked if the new CIP book would demonstrate how projects were ranked. Ms. Allshouse confirmed that every project would have a ranking.

Ms. McKeel noted the Board would have to make a motion to approve the budget calendar as presented in Attachment A and asked Supervisors if they have any concerns about the calendar itself.

Ms. Mallek then **moved** that the Board adopt the proposed budget calendar. Ms. Palmer **seconded** the motion. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.

NAYS: None.

PROPOSED FY 19 BUDGET DEVELOPMENT CALENDAR

September 2017

Friday 8 BOS Work Session – Strategic Plan

October 2017

Wednesday 11 BOS/School Board Joint Work Session – Compensation and Benefits

November 2017

Wednesday 8 BOS/School Board Joint Work Session
– Two Year Balanced Fiscal Plan in context of Five Year Financial Plan
– Preliminary FY 19 – FY 23 CIP Overview
Monday 20 CIP Oversight Committee Meeting #1
Monday 27 CIP Oversight Committee Meeting #2

December 2017

Monday 4 CIP Oversight Committee Meeting #3
Wednesday 6 BOS Work Session – Two Year Balanced Fiscal Plan in context of Five Year Financial Plan with Public Comment on 2 Year Balanced Fiscal Plan
Wednesday 13 BOS Work Session – Approve Balanced Two Year Fiscal Plan/Guidance for Annual Budget

January 2018

Monday 18 School Superintendent presents Budget Request to School Board

February 2018

Thursday 8 School Board adopts School Budget Request
Friday 16 (Noon) County Executive's Presentation to Board - Recommended Budget
Tuesday 20 Public Hearing on County Executive's Recommended Budget
Thursday 22 BOS Budget Work Session #1
Monday 26 BOS Budget Work Session #2

March 2018

Thursday 1 BOS Budget Work Session #3
Monday 5 BOS Budget Work Session #4 - Finalize Tax Rate for Advertisement/Approval of Board's Proposed Budget
Wednesday 7 Regular BOS meeting
Tuesday 27 BOS Work Session #5 (If Needed)
Thursday 29 BOS Work Session #6 (If Needed)

April 2018

Mon.-Fri. 2-6 Spring Break
Wednesday 4 Regular BOS meeting
Tuesday 10 Public Hearing on the CY 18 tax rate and Board's Proposed Budget
Wednesday 11 Regular BOS meeting
Friday 13 Holiday
Tuesday 17 BOS sets tax rate and adopts budget
Thursday 26 School Board adopts School Budget

May 2018

Wednesday 2 BOS Approves Appropriation Resolution

* Public Engagement Opportunities will occur throughout Budget Development Process

**To meet operational requirements, BOS must set the CY 18 tax rate by April 17

Ms. Allshouse concluded with the sixth recommendation of the CIP Oversight Committee, which was to consider different ways to consider which projects should remain in the CIP versus being in an operating budget.

Ms. McKeel stated that these recommendations were very appropriate.

Mr. Dill asked who would decide what changes to make if the Board approved ways to consider funding plans and studies in the future. He noted that there were many things that could be studied to see if they were of value or not in helping the County attain its goals. Ms. Allshouse replied that staff would bring recommendations before the Board of Supervisors.

Ms. Mallek suggested they establish a line in the budget that could be populated every year and used to complete design plans for projects that had not made it up the list because the County was dealing with emergencies all the time.

Ms. Palmer noted that there were many quality-of-life concerns in the urban area for safety, sidewalks, and crosswalks, and she wonders how they would parse through these needs in the project scoring process. She noted that Supervisors may be aware of approved projects in their own districts but not those in other districts, and it is important that nobody be shortchanged.

Ms. Allshouse explained that the Technical Review Committee scored the projects and offered to have Trevor Henry address the Board about this. It was agreed that Mr. Henry would address this issue later.

Mr. Randolph complimented Mr. Trevor Henry and Mr. Blake Abplanap for working together and providing a level of reporting detail that provided a clear picture of the variables that Facilities is encountering, especially in terms of rising construction costs. He stated that it is important for the Board to be aware of the criteria that would be developed and how they are strategically linked so they did not approve isolated projects that may not have as much of a community benefit factor. He requested that staff provide a 15-minute presentation so that Supervisors could explain the criteria to community members. He stated that the NIFI project had raised expectations, and they should focus on ways to get the most benefit.

Ms. Mallek commented that the NIFI projects were to be spread evenly among the six districts, and noted that staff had been focused on the Rio redevelopment project, but they should continue to focus on both old and new projects.

Ms. Palmer stated that it would be helpful if Supervisors could explain to constituents in their districts why a project in another district is proceeding.

Mr. Sheffield stated that it would be helpful to have an interactive map of projects and costs to communicate to the public about what is coming.

Ms. McKeel agreed and stated that it would be great to have this on the County website. She also commented that they could use additional staff to conduct proper data analysis, which is a topic for budget discussion.

Mr. Randolph **moved** that the Board accept the recommendations for improvements to the CIP development process as presented. Ms. Palmer **seconded** the motion. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.

NAYS: None.

Oversight Committee's Recommendations for Improvements to the FY 19-FY 23 CIP Process

1. Adjust the Committee Charge for the Oversight Committee to include the consideration of longer-term Capital Improvement Program planning.
2. Staff hold an orientation meeting this fall (CIP Orientation 101) and invite members of the Oversight Committee, as well as those members of the Planning Commission, School Board or Board of Supervisors who would like to attend.
3. Staff plan to hold a *Long Range Capital Planning* meeting with the Board of Supervisors, School Board, and the Planning Commission on a more regular basis. This does not have to be every year, and could be held every other year as a start.
4. Technical Review Committee to no longer rank/score the CIP project requests that qualify as Maintenance/Replacement Capital projects.
 - a. Maintenance/replacement criteria will be available if needed in the future.
5. Staff adjust CIP project ranking scoring to better align with County quality of life and strategic priorities. (Complete.)

6. Staff plan to study different ways to fund plans and studies in future years and to make recommendations as to whether they should be included as a Capital project or in operating budgets.
-

Agenda Item No. 10. Financial Management Policies.

The Executive Summary presented to the Board states that according to the Government Financial Officers Association (GFOA) guidelines and the County's Financial Advisors, financial policies should be reviewed periodically to ensure they are current and effective. The County's Financial Policies were initially adopted by the Board of Supervisors on October 5, 1994, with amendments approved by the Board on October 11, 2000, August 1, 2012, and March 13, 2013, with the March 2013 amendment being the County's last major review and update to the County's Financial Management Policies.

Over the past several months, staff has conducted a careful review of all of the County's Financial Management Policies and recommends several updates. These recommendations have been reviewed by the County's financial advisors, Davenport and Company, LLC, and are attached (Attachment A).

Recommendations include: the addition of a Budget Stabilization Reserve policy in accordance with staff's recommendations during the FY 18 budget development process; revisions to ensure the Financial Management Policies accurately reflect the County's current processes and approaches; and revisions to clarify policy language and to ensure the use of consistent terminology.

Staff will review these recommendations with the Board during the September 6, 2017 Board meeting.

The County's Financial Policies provide guidance to the County's budget development and fiscal management processes. The recommended policy regarding a *Budget Stabilization Reserve* will provide additional clarity for approved uses of the reserve currently included in the FY 18 Budget entitled *Rainy Day Fund/Stabilization Fund*.

Staff recommends that the Board adopt the revised Financial Management Policies as set forth in Attachment A.

Ms. Allshouse and Ms. Betty Burrell, Director of Finance, made a joint presentation on financial management policies.

Ms. Allshouse stated that they would discuss updates to financial management policies, ask for Board approval, and review next steps. She reminded them that the Board adopted the financial policies in 1994 and that Governor's Financial Officers Association (GFOA) guidelines guide much of what their respective offices do. She said the guidelines state that the County should periodically review and update financial policies. Ms. Allshouse noted the Board approved amendments in 2000, 2012, and 2013, and the recommendations they would review today, as presented in the Executive Summary, have been reviewed by Davenport and Company, the County's financial advisor. She stated that some revisions were minor and dealt with terminology, while others ensured that the policies accurately reflect the County's processes and approaches to sound fiscal management. She stated that they would also review the addition of a budget stabilization reserve policy.

Ms. Burrell stated that some changes were minor wordsmithing changes that eliminated duplication and conflicting language. She referred to Page 33 under the operating budget policies in which they recommend to codify the County's practice of priority-based budgeting and the two and five-year plans into policy. Ms. Burrell stated that they also recommend that future Boards appropriate upcoming fiscal year budgets by their June meeting to ensure a smooth transition to the next fiscal year, noting that the need for an important revision was brought to their attention by Davenport and Company. She said that credit rating agencies look for policies that require financial reporting to the governing bodies, so they have added a new section to the financial policies that concerns reporting periods and a list of the reports to be presented to the elected body. She stated that it was important to codify this, as they have an AAA bond rating. Ms. Burrell said another recommendation was to increase the capital expenditure for maintenance and repairs from a \$10,000 threshold to \$20,000 and to reduce useful life to five years, adding that expenses that do not fall within these parameters would be categorized as operating expenses.

Mr. Sheffield asked if there was a dollar threshold for an item to be considered a capital expenditure. Ms. Burrell replied that they do not have an official policy, but they did use guidelines in reporting the capital assets in the annual financial report.

Mr. Burrell stated that on Page 35, they were attempting to remove ambiguity regarding the equity to loan ratio of capital project financing. She said there was an acknowledgement that the County intends to fund short-term estimated useful lives with current revenue, which more closely aligns with the matching principle that those who benefit from a project also help support it. She stated that this had been the County's practice and this would make it policy, noting that the final recommendation relates to derivatives and debt and would prohibit the Finance Director and other staff from entering into a derivatives arrangement without Board approval.

Mr. Randolph asked if the GFOA criteria permits investments in commodities and/or credit default swaps, and asked if by excluding certain investments they would be permitting other controversial and volatile instruments without Board approval. Ms. Burrell responded that the Virginia Public Deposits Act protects local governments regarding complex investments, and there were very strict standards.

Ms. Allshouse noted they have added a grants section to the financial policies, and this section identifies that the County has a grants policy.

Ms. Allshouse stated that the next recommendation is to establish a Budget Stabilization Reserve category. She stated that every year they identify and hold a reserve as part of the unassigned fund balance, the amount which is determined by volatility and determinations of where risk may exist. Ms. Allshouse said this had been a budgeting practice for years and they would like to add it as a policy, noting that there is a 10% unassigned fund balance shored up every year that is not budgeted, but held for cash flow.

Mr. Randolph asked, if the Board agrees to adopt the Budget Stabilization Fund, that in the future two votes would have to be held, with the first to change the policy and the second to appropriate money out of the fund. He stated that he is trying to determine if there would be a trigger of some kind so the public could be aware of this, in the event a future Board decides to breach this, they would first have to agree to no longer enforce the policy and then appropriate money. Ms. Allshouse emphasized they have purposely used the term "target" for the 1%, as it is not guaranteed and allows for some leeway from the Board. She asked Mr. Kamptner to address the question of whether two votes would be required.

Mr. Kamptner stated that he feels the Board can do this in a single step, noting that the policy uses both "should" and "shall" in statements. He stated that it might be a better practice to make this a two-step process, but it would not jeopardize Board action.

Ms. Mallek suggested that they establish what the process will be so that it puts them in a thoughtful track when making a decision.

Ms. Palmer expressed agreement with Ms. Mallek's comment, noting that when she served on the Board of the Albemarle County Service Authority, they conducted a rate study and established a rate stabilization fund that was a much larger percentage of the budget. She stated that they used it to even out rates as well as to take advantage of favorable construction costs by having funds available at an opportune time. She asked if the reserve could be viewed as a way to avoid having to raise the tax rate in one year or to raise the rate more slowly, as this is how it is used by some localities.

Ms. Allshouse replied that it was envisioned for unexpected expenditures as well as unexpected downturns in revenue. She read the statement on the use of the reserve: "The Budget Stabilization Reserve may be used from time to time, as necessary, to meet unexpected needs such as providing additional funds for limited unexpected expenses and/or to provide limited funds to smooth revenue fluctuations caused by unanticipated changes in economic conditions."

Ms. Mallek recalled how the state cut aid to the County drastically in 2008 as well as costs resulting from the Louisa earthquake, which damaged three schools, and so they have to be prepared for an unexpected event.

Mr. Walker stated that there is an opportunity to find a better balance for the use of the operating contingency, which they try to keep relatively small, at around \$300K. He stated that the term "rainy day fund" mischaracterizes the value of the reserve fund. He stated that if something more significant than an operational budget year deviation occurs but does not require use of the undesignated, unassigned fund balance, then it would be responsible to set aside some money to allow them to do something more meaningful. Mr. Walker said they do maintain fund balances in other funds such as the Healthcare Reserve Fund and Children's Services Reserve Act Fund in order to deal with fluctuations. He stated that this fund enables them to deal with fluctuations on the General Fund side without impacting the larger, unassigned, undesignated fund balance.

Mr. Dill asked if the fund is cumulative and what happens with unspent funds at the end of the year. He asked why they cannot just raise the General Fund balance to 11% from 10%, and it seems like they are trying to maintain a piggy bank that is hard to open as a way to keep them from spending money. Mr. Walker replied that they targeted a 1% balance of revenues and would adjust accordingly. He used an analogy of a safe deposit box that requires two keys to open it as representing the unassigned, undesignated 10%, requiring one key making it a little more accessible. He stated that they did talk about increasing the unassigned, undesignated level to 11% and determined that it did not send the best message in terms of what they are attempting to accomplish, which is to have this money available under some circumstances to deal with larger budget fluctuations during the course of the year.

Mr. Randolph commented that with the current uncertainty with the federal budget, the value of the reserve 1% is incalculable. He stated that codifying as policy what they have been doing on a procedural level is prudent, and separating the 1% is wise as it allows them to know exactly what it would be used for. Ms. Allshouse commented that the 10% represented the General Fund and the School Fund less the transfer between them, while the 1% was just on the General Fund.

Ms. McKeel reminded them that the School Division had previously used a fund balance for unexpected problems that might come up, and the Board of Supervisors had capped the amount the School Division could keep, which limits its ability to save for a rainy day. She noted that a student

involved with CSA could cost a school division \$1M in a few years. Ms. McKeel stated that she does not want the School Division to have to pay the larger share of the fund, as it does not seem fair given that they have capped the amount they can save in their own fund balance.

Ms. Allshouse stated that the formula Ms. McKeel is referring to is for new money, and what the Board is considering is end-of-year money. Ms. McKeel stated that the money is not shared with the School Division in that they do not have access to it in the event of unexpected expenses. She stated that the cap placed on the schools by this Board limits their ability, and she believes this is another way they might impact schools.

Mr. Sheffield asked Ms. McKeel what she means by "this Board." Ms. McKeel clarified that it was the previous Board that had imposed a cap on schools and limited their ability to have a stabilization reserve. She stated that the money schools were able to save with the cap rolled into the CIP, which she did not think was inappropriate. She recalled from her many years on the School Board that the reserve would build and they could draw on it when needed.

Ms. Palmer noted that Ms. Allshouse had mentioned that the schools could tap the CSA fund and that there were a variety of funds that could be tapped for emergency situations. She asked if any additional funds had been created since the Board limited the School Division's ability to save in a reserve fund five years ago.

Ms. Allshouse stated that there had been a joint CSA fund to which both the schools and local government contribute. She stated that she was not aware of any new funds that had been set up, although they may have made adjustments to the fund balance.

Ms. Mallek stated that the Board chose to keep a 2% cap on their savings during the recession, which totaled over \$3M, because this was the most that had been used over the previous several years. She noted that the reserve had at one time grown to as much as \$8M, and it was felt these extra funds could be used for projects such as libraries, and the idea was to get this money back in circulation. She stated that the schools still had the option to request additional funds from the Board if needed.

Ms. McKeel asked Mr. Dean Tistadt to address this issue, as she could not support this until she had a greater sense that this would not have an adverse effect.

Mr. Dean Tistadt, Chief Operating Officer for Albemarle County Schools, addressed the Board. He stated that they have a number of reserves, and the schools contribute to the CSA reserve and work with the Department of Social Services to calculate the portion of the contribution each year. He stated that they contribute to their share of the Health Insurance Fund and are currently working to determine the appropriate level of funding for it, with plans to come before the Board with a recommendation in the near future. Mr. Tistadt said the reserve fund did grow to an excessive level at one time, and he believed appropriate action was taken. He expressed his belief that the adopted policy is more cumbersome than necessary and should be rewritten, stating that it is possible to lose state or federal funding at the last second and thus reserve accounts are needed, which he does not believe should count towards a reserve fund balance.

Ms. McKeel stated that she had a better understanding now, and indicated that Mr. Tistadt would review the policy and make recommendations for changes to present to the Board. Mr. Tistadt added that if the fund has to be increased each year because of incremental growth in revenue, or has to be replenished because money is taken with the year-end fund balance that would have gone to the CIP, it would not directly affect the school's operating budget. He stated that if it is done every year during the budgeting process and taken off the top, then it would have an impact on the operating budget.

Ms. Mallek stated that it is important to remember that the \$1.2M expense for new school buses was brought into capital and taken from the other side.

Mr. Sheffield asked for the current school's reserve percentage. Mr. Tistadt replied that it is around \$1.2M to \$1.5M. He stated that they have a \$500K reserve for revenue fluctuations and \$300K – \$400K for federal funds, as they are concerned about title funding from the federal government.

Mr. Sheffield commented that it is important to note the difference between having a fund balance reserve and having a stabilization reserve, which needs to be clearly understood. Ms. Burrell addressed Mr. Sheffield's question and referred to the analogy of the two locks. She stated that the 10% fund balance would be used for Hurricane Harvey, for expenses during a catastrophe, such as paying police and fire and to open shelters. She stated that it would be difficult to move money out of this fund short of a catastrophe, and its use could jeopardize their AAA rating. She stated that the additional 1% they are considering gives them some additional flexibility. Mr. Sheffield replied that it seems that the 1% requires more justification than the 10%.

Ms. Palmer tried to better explain Mr. Sheffield's point. She stated that since the 10% is not used unless absolutely necessary, there is no question when it must be used, whereas they need to define what the 1% is for.

Mr. Walker stated that the circumstances under which they would use the 10% would be extreme, extraordinary, and understood. He stated that perhaps they should have a better definition as to when staff would come to the Board to request access to the 1% additional reserve.

Mr. Sheffield stated that it should not be allowed by consent.

Mr. Randolph stated that the reason he suggested they require two votes was because use of the fund should be only under extraordinary circumstances. He agreed with Mr. Kamptner’s suggestion that they use consistent language, and urged the use of “shall” instead of “should.” He stated that they might even consider requiring a separate vote at two board meetings.

Ms. Mallek expressed support for having a separate fund because it provides clarity to the Board, citizens, and the ratings agencies.

Ms. Allshouse offered to bring back examples of other jurisdictions that have this fund separately.

Ms. McKeel stated that she heard consensus among Supervisors to have a separate fund and asked Ms. Allshouse to come back with a recommendation.

Ms. Mallek urged that the process include a public discussion.

Mr. Dill commented that the crux of the matter is the integrity of the budget process and to assure the population that the Board will not do whatever it wants.

Ms. Palmer **moved** that the Board adopt the revised Financial Management Policies as set forth, minus the fund balance or reserve policy section. Mr. Randolph **seconded** the motion. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.
NAYS: None.

FINANCIAL MANAGEMENT POLICIES

STATEMENT OF PURPOSE

The County of Albemarle has a responsibility to its citizens to account for public funds, to manage its finances wisely, and to allocate its resources efficiently and effectively in order to provide the services desired by the public. The primary objective of establishing Financial Management Policies is to provide a framework wherein sound financial decisions may be made for the long-term betterment and stability of Albemarle County. These financial policies also provide guidelines and goals to guide the short- and long-term financial practices of Albemarle County.

POLICY GOALS

- A fiscal policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management. An effective fiscal policy should:
- Insulate the County from fiscal crises;
 - Enhance the County’s ability to obtain short-term and long-term financial credit by helping to achieve the highest credit rating and bond rating possible;
 - Promote long-term financial stability by establishing clear and consistent guidelines;
 - Provide the total financial picture of the County rather than concentrating on single issue areas;
 - Provide a link between long-range financial planning and current operations; and
 - Provide a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

OPERATING BUDGET POLICIES

The annual budget will be prepared consistent with guidelines established by the Government Finance Officers Association (GFOA) and in accordance with the principles of priority-based budgeting.

The budget must be structured so that the Board and the public can understand the relationship between revenues, expenditures and the achievement of service objectives.

The goal of the County is to fund all recurring expenditures with recurring revenues and to use non-recurring revenues for non-recurring expenses.

The County will maintain an updated fiscal impact model to assess the impact of new development on the future costs of associated County services.

The County will develop and annually update a two (2) year balanced Fiscal Plan and a long range (five-year) Financial Plan. The Financial Plan will include a review of revenue trends and expenditures from the preceding three (3) years, projections of revenues and expenditures, as well as future costs and the financing of capital improvements and other projects that are included in the capital budget.

When revenue shortfalls are anticipated in a fiscal year, spending during that fiscal year must be reduced sufficiently to offset the projected revenue shortfalls.

The County will prepare the capital improvement budget in conjunction with the development of the operating budget in order to assure that the estimated costs and future impact of a capital project on the operating budget will be considered prior to its inclusion in the CIP.

The County shares 60% of the increase or decrease in available shared local tax revenues with the School Board. Available shared local tax revenues are additional or reduced tax revenues that can be used for County and School Division operations after subtracting any increases and adding any decreases in debt service, capital improvement program funding, City of Charlottesville revenue sharing, tax relief for the elderly and disabled, tax refunds and any shared reserves for contingencies. This guideline may be reviewed annually.

The operating budget preparation process is conducted to allow decisions to be made regarding anticipated resource levels and expenditure requirements for the levels and types of services to be provided in the upcoming fiscal year. The following budget procedures will ensure the orderly and equitable appropriation of those resources:

The General Government operating budget requests are initiated at the department level within target guidelines set by the County Executive. Priorities of resource allocation of divisions within a department are managed at the department level. In formulating budget requests, priority will be given to maintaining the current level of services. New services will be funded through the identification of new resources or the reallocation of existing resources.

Proposed program expansions above existing service levels must be submitted as a budget initiative requiring detailed justification. Every proposed program expansion will be scrutinized based on its relationship to the health, safety and welfare of the community, among other factors, and will include analysis of long-term fiscal impacts.

Proposed new programs must also be submitted as budget initiatives requiring detailed justification. New programs will be evaluated on the same basis as program expansions, to include analysis of long-term fiscal impacts.

Performance measurement and productivity indicators will be integrated into the budget process as appropriate.

The General Government operating budget is approved and appropriated by the County Board of Supervisors at the department level. Total expenditures cannot exceed total appropriations of any department within the General Fund. Changes to the approved operating budget during the fiscal year can be accomplished in any of the following ways:

Transfers between divisions and non-salary line-item expenditures within General Government departments are approved by the heads of the departments.

Transfers between expenditure accounts in different departments are approved by the Board of Supervisors or, if specifically delegated by the Board of Supervisors, by the County Executive

Encumbered funds for active operational purchase orders will be carried forward into the next fiscal year subject to the approval of the Board of Supervisors.

The Board of Supervisors appropriates School Division funding in accordance with Virginia Code § 22.1-115.

The Board of Supervisors will adopt the operating budget no later than April 30 and will appropriate the budget no later than the first Board meeting in June.

FINANCIAL REPORTING POLICY

The County will provide the Board of Supervisors with quarterly General Fund and School Fund financial reports to include budget-to-actual comparisons, with explanations of General Fund variances that are equal to or greater than 2% and \$200,000 in each major revenue and expenditure category; quarterly reports on investments held; quarterly revised General Fund revenue projections reports, quarterly reports of transfers authorized by the County Executive; and a quarterly economic indicators report. The audited Comprehensive Annual Financial Report (CAFR) will be provided to the Board of Supervisors annually before December 31.

CAPITAL BUDGET POLICIES

The County will approve a multi-year capital budget in accordance with an approved Capital Improvements Program. All unspent and unencumbered appropriations allocated for capital projects shall be re-appropriated for completion of the projects. Upon completion of a capital project, the County Executive is authorized to close out the project and transfer any unencumbered unexpended residual funds to the Capital Improvement Fund fund balance.

The Board of Supervisors will accept recommendations from the Planning Commission for the five-year Capital Improvements Program that are consistent with identified needs in the adopted Comprehensive Plan and Capital Facilities Plan.

The County will coordinate the development of the capital budget with the development of the operating budget so that future operating costs, including annual debt service associated with new capital projects, will be projected and included in operating budget forecasts.

Emphasis will continue to be placed upon a viable level of "pay-as-you-go" capital construction to fulfill needs in a Board-approved Capital Improvements Program.

The County believes in funding a significant portion of capital improvements on a cash basis. The County's goal is that the budgeted net transfer to Capital after debt service would be 3% of General Fund Revenues.

Financing plans for the five-year capital program will be developed based upon a five-year forecast of revenues and expenditures.

The County maintains a capital facilities inventory and estimates remaining useful life and replacement costs.

Upon completion of any capital project, remaining appropriated funds in that project will be returned to the unassigned capital project fund. Any transfer of remaining funds from one project to another must be approved by the Board of Supervisors, or if authorized by the Board of Supervisors, by the County Executive.

The County collaborates with the School Board regarding the development and coordination of the County's Capital Improvement Program. Collaboration includes the following: a) planning for required capital improvements; b) debt ratio targets; and c) debt issuance schedules.

ASSET MAINTENANCE, REPLACEMENT, AND ENHANCEMENT POLICIES

The County will maintain a system for maintenance, replacement, and enhancement of the County's and School Division's physical plant. This system will protect the County's capital investment and minimize future maintenance and replacement costs:

- The operating budget will provide for minor and preventive maintenance;
- Within the Capital Improvement Program, the County will maintain a capital plant and equipment maintenance/replacement schedule, which will provide a five-year estimate of the funds necessary to provide for the structural, site, major mechanical/electrical rehabilitation or replacement of the County's and School Division's plant requiring a total expenditure of \$20,000 or more per project with a useful life of five years or more;
- The County intends to maintain a proper ratio of equity to loan funding, as recommended by the County's Financial Advisor, for the maintenance/repair and replacement capital improvements that are financed. The County's desire is to fund the majority of capital maintenance expenses that have an estimated useful life of less than seven years with current revenue.

REVENUE POLICIES

Re-assessment of real property will be made every year and will be performed in accordance with Generally Accepted Appraisal Practices and guidelines established by the International Association of Assessing Officers (IAAO).

The County will maintain sound appraisal procedures to keep property values current. The County's goal is to achieve an annual assessment to sales ratio of at least 95% under current real estate market conditions, when the January 1st assessment is compared to sales in the succeeding calendar year.

The County will maintain a diversified and stable revenue structure to shelter it from short-term fluctuations in any one revenue year.

The County will project its annual revenues and generate its five year forecasts by using an objective, analytical process that is consistent with Government Finance Officers Association (GFOA) best practices.

The County will monitor all taxes to insure that they are equitably administered and that collections are timely and accurate.

The County will follow an aggressive policy of collecting tax revenues. The annual level of uncollected current property taxes should not exceed 4%, unless caused by conditions beyond the County's control.

To the extent possible, the County shall attempt to decrease its dependency on real estate taxes to finance the County's operating budget.

The County will, where possible, institute user fees and charges for specialized County programs and services based on benefits and/or privileges granted by the County or based on the cost of a particular service. Rates will be established to recover operational as well as capital or debt service costs.

The County will regularly (at least every three (3) years) review user fee charges and related expenditures to determine if pre-established recovery goals are being met.

The County will identify all inter-governmental aid funding possibilities. However, before applying for or accepting either state or federal funding, the County will assess the merits of the program as if it were to be funded with local dollars. No grant will be accepted that will incur management and reporting costs greater than the grant.

Local tax dollars will not be used to make up for losses of inter-governmental aid without first reviewing the program and its merits as a budgetary increment.

The County will attempt to recover all allowable costs – direct and indirect – associated with the administration and implementation of programs funded through inter-governmental aid. In the case of state and federally mandated programs, the County will attempt to obtain full funding for the service from the governmental entity requiring that the service be provided.

INVESTMENT POLICIES

The County will invest County revenue in accordance with the Finance Department Investment Policy to maximize the rate of return while maintaining a low level of risk. The County will invest in conformance with the Virginia Security for Public Deposits Act and all other applicable laws and regulations.

The County will conduct an analysis of cash flow needs at least on an annual basis. Disbursements, collections, and deposits of all funds will be scheduled to insure maximum cash availability and investment potential.

The Director of Finance shall maintain a system of internal controls for investments, which shall be documented in writing and subject to review by the County's independent auditor.

Contractual consolidated banking services will be reviewed regularly and procured in accordance with the Virginia Public Procurement Act.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

The County will establish and maintain a high standard of accounting practices in conformance with the Uniform Financial Reporting Manual of Virginia and Generally Accepted Accounting Principles (GAAP) for governmental entities as promulgated by the Governmental Accounting Standards Board.

Regular quarterly financial statements and annual financial reports will present a summary of financial activity by governmental funds.

An independent firm of certified public accountants will perform an annual financial and compliance audit according to generally accepted auditing standards; Government Auditing Standards issued by the Comptroller General of the United States; and Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia. The County will maintain an audit committee comprised of the County Executive, or designee, the Superintendent of Schools, or designee, the Director of Finance, two Board of Supervisors members and one School Board member. The committee's responsibility will be to review the financial statements and results of the independent audit and to communicate those results to the Board of Supervisors.

The County will annually seek the GFOA Certificate of Achievement for Excellence in Financial Reporting.

DEBT POLICIES

The County will not fund current operations from the proceeds of borrowed funds.

The County will manage its financial resources in a way that prevents borrowing to meet working capital needs.

The County will confine long-term borrowing and capital leases to capital improvements or projects that cannot be financed by current revenues.

To the extent feasible, any year that the debt service payment falls below its current level, those savings will be used to finance one-time capital needs.

The County's debt offering documents will provide full and complete public disclosure of financial condition and operating results and other pertinent credit information in compliance with municipal finance industry standards for similar issues.

Recognizing the importance of underlying debt to its overall financial condition, the County will set target debt ratios, which will be calculated annually and included in the annual review of fiscal trends:

- Net debt as a percentage of the estimated market value of taxable property should not exceed 2%; and
- The ratio of debt service expenditures to General Fund and School Fund revenues should not exceed 10%

The County intends to maintain a 10 year payout ratio at or above 60% at the end of each adopted five-year CIP for tax-supported debt and lease payments. When the County finances capital improvements or other projects through bonds or capital leases, it will repay the debt within a period not to exceed the expected useful life of the projects.

The County will not entertain the use of derivatives as a method of financing debt unless and until such time as the Board of Supervisors adopts a specific derivatives-related policy.

GRANTS POLICIES

The County shall seek to obtain grants that are consistent with County priorities. The County will review and update the Grants Administrative Policy on a regular basis, and departments shall follow the procedures contained therein.

Policies Adopted: October 5, 1994 Amended: October 11, 2000; August 1, 2012; March 13, 2013; September 6, 2017

Agenda Item No. 11. School Division's Capital Projects Funding Needs.

The Executive Summary presented to the Board states that on November 8, 2016, County residents approved up to \$35 million in General Obligation Bond funding to finance improvements to Albemarle County public schools. Projects identified that would be supported by the General Obligation Bond funding included:

- School security improvements at four schools: Baker-Butler Elementary School, Scottsville Elementary School, Henley Middle School, and Murray High School.
- Woodbrook Elementary School Addition-Modernization project to alleviate overcrowding, modernize the schools' existing classrooms, and add a full-size gymnasium.
- Learning Space Modernization project to update approximately 100 of the School Division's 850 classrooms, affecting approximately 25 of the County's 26 schools.
- New Science laboratories and modernization of existing labs at Western Albemarle High School.

The sale of General Obligation bonds occurred on February 22, 2017 with an interest rate of 2.88%.

On April 5, 2017, the Board of Supervisors approved an FY 17 appropriation of funding for the General Obligation Bond funded School Division's capital projects to enable the School Division to begin design and to enter into construction agreements for those projects scheduled to begin in spring 2017.

On May 9, 2017, bids were opened for the Woodbrook Elementary School Addition-Modernization Capital project and the costs associated with the lowest responsible bid amount exceeded the project appropriation amount made in April to complete the project as initially scoped. An unanticipated change in the local construction market has resulted in higher than expected costs.

On May 10, 2017, the Board of Supervisors approved increasing the FY 17 appropriated amount for the Woodbrook Elementary School Addition-Modernization Capital project by \$1.5 million in order for the construction to proceed during the 2017 summer break. Due to timing constraints, the source of the funds was a transfer from the Learning Space Modernization Capital project budget that was also supported by the General Obligation Bond funding. The School Board requested that, at a later date, the Board of Supervisors consider increasing the total appropriation of any of the Bond Referendum projects to cover the construction costs for those General Obligation Bond-funded projects that may exceed the original budgeted amounts.

Although the construction associated with the Learning Space Modernization project will primarily occur in the summer of 2018, design for this work is underway. Therefore, it is imperative for the Board to provide direction to the School Division regarding the level of funding that will be available for the Learning Space Modernization project. That is, will funding support the original project scope or will available funding for this project be only the residual/available budgeted authority.

In addition to the funding required to make the Learning Space Modernization project funding whole, the School Division believes it is likely that other General Obligation Bond-funded capital project bids will exceed the currently appropriated amounts based on projected increased construction costs, as previously mentioned in this summary. According to School Division staff's updated cost estimates, an additional \$1.2 million likely will be required to fully fund the remaining Bond Referendum-supported capital projects. These estimates are based on projected increases for projects that will be bid between now and April 2018. The projects include: the School Security Improvements Program for security projects at Scottsville, Henley and Murray; the second phase of Learning Space modernization work which includes work at Albemarle, Burley, Henley, and Sutherland; and the Western Environmental Studies Academy Phase II project. These estimates, when included with the initial amount of funding for Learning Space Modernization, would require a total appropriation increase of \$2.7 million for these projects.

The Bond referendum, approved on November 8, 2016, authorized up to \$35 million in principal be issued for School projects. The amount issued to date is \$30.4 million. Therefore, there is a remaining capacity of \$4.6 million as a source of funding.

The total budget impact for FY 18 is estimated at \$3 million. This amount includes construction costs and the cost to issue the debt. The County may issue the debt in the spring of 2018; timing of the borrowing will be based on the projects' spend plans. An estimated 94% of project costs would be borrowed for 20 years and the remainder would be cash funded. The estimated funding required to support both the debt service and the pay-as-you-go funding for the projects is expected to be available in the CIP due to savings resulting from the lower than budgeted interest rate costs achieved from Series 2017 bond issuances.

Staff recommends the Board approve the School Division's request for additional funding for Bond Referendum-supported School Division capital projects that have either already come in higher than the budgeted amount, or are estimated by the School Division to do so. If the Board of Supervisors approves this request, an appropriation request will be provided to the Board at its October 4, 2017 Board meeting.

Ms. Lori Allshouse, Director, Office of Management and Budget, stated that additional funding was required for School Division bond referendum capital projects. She stated that in November 2016, voters approved \$35M in general obligation bond funding for school improvements, and the Board had approved \$35M in funding in April 2017 so that work could begin. Ms. Allshouse reminded them that in May 2017, the Woodbrook Elementary School addition modernization project costs exceeded the budget by \$1.5M, at which time the Board appropriated funds from another bond referendum project: learning space modernization. She stated that the schools had also asked the Board to increase the bond referendum funding to cover the costs for anything that would exceed the initial appropriated amount.

Ms. Allshouse stated that it could be said they borrowed money from the learning space modernization project to increase funding for Woodbrook, noting that the schools are in the process of designing projects for bid and have requested that the \$1.5M be restored for the learning space modernization project. She stated that increased construction costs would likely result in the need for an additional \$1.2M for bond-supported school projects as originally envisioned, for a total of \$2.7M in additional project funding needs. Ms. Allshouse said that additional debt issuance costs and other associated costs of borrowing would bring the amount needed closer to \$3M, and they have another \$4.6M remaining in bond referendum projects available to be borrowed. She noted that interest rates on borrowing were lower than projected, so they are saving \$500K/year on borrowing costs that they had not anticipated. She stated that funding was available to pay for debt service and to support pay-go cash requirements. She stated that Mr. Tistadt is present to answer questions about the projects.

Ms. Palmer and Mr. Sheffield asked for further clarification as to the amounts requested. Ms. Allshouse replied that the bond referendum that passed had allowed the County to borrow up to \$35M, and they funded \$35M in projects but paid for some costs with cash so they did not borrow the full amount, so some additional borrowing capacity remains.

Ms. Palmer asked if the pay-go funds used were part of the CIP that would have been done regardless of whether they had done the bond referendum. Ms. Allshouse replied that it was part of capital, stating that if construction costs had not been higher than expected, they would have appropriated \$35M, with some borrowed funding and some cash, and thus would not have borrowed the full \$35M.

Ms. Mallek commented that they would now have less money in the CIP for other things, and asked how much of the school funding came from cash. Ms. Allshouse replied that it is about \$5M.

Mr. Randolph pointed out that some CIP projects were included, with the projects approved by the referendum for FY19 that would have been in the queue for FY19 CIP funding. He stated that the two boards had decided to include them in the package and wondered whether legally they must be funded in this fiscal year with all the other projects approved by voters in the referendum, or if they could be rolled over to the original year they were to be addressed in the CIP. He stated that they could remove some projects from the referendum, return them to the CIP, and approve funding through the CIP. Mr. Randolph noted that the schools are projecting a \$1.2M surplus this year and if the County has a sufficient enough surplus, the two combined could potentially cover the shortfall resulting from unanticipated construction expenses.

Mr. Sheffield asked Mr. Kamptner to address Mr. Randolph's question about whether the bond referendum identified specific projects. Mr. Kamptner responded that it identified classes of projects. He stated that the County has eight years to issue bonds. He explained that the question put to voters was to authorize general obligation bonds up to \$35M plus other sources to fund these classes of projects, and thus it was recognized up front that other revenue would be pulled in to complete the projects.

Mr. Dill noted that the \$500K in annual interest savings totals \$5M over 10 years and should balance out the additional construction costs. Mr. Tistadt stated that his perspective was that the school system defined the scope of work for major projects and estimated the costs at \$35M. He stated that the new estimate is \$37.7M and the choices before them are to either reduce the scope of work or replenish the funds. He asked the Board to consider what they would do if the reverse had occurred and the projects had come in under budget, and whether they would allow the schools to spend this on projects of their choosing or to return the unused funds. He stated that they are trying to complete design work and cannot do this unless they know what the scope of work will be.

Mr. Randolph stated that the comparison of borrowing versus not borrowing is not a parallel situation, and if the projects came in below \$35M this does not provide extra money to be returned to the budget. He stated that the County did not issue bonds or incur additional debt, which means there is less money every year that is mandated to be taken off the top of capital expenses. He said that they increased their capacity to borrow more money in the future to cover other contingencies, and it is not like it frees up cash. Mr. Randolph said in the second scenario they have before them now to determine how to close a gap, they must find liquid resources and cannot borrow the difference because they have already been given authorization for \$35M from voters and must find a pot of money to cover this.

Mr. Tistadt stated that he would argue that cash would fall into a CIP fund balance and be available to spend on other projects.

Mr. Sheffield asked for confirmation from Mr. Kamptner that they could not use funds for projects that do not fall within the categories approved in the referendum. Mr. Kamptner confirmed this.

Ms. Palmer noted that they were purposely nebulous to enable flexibility, stating that she supports the schools and tries to be consistent in her support. She stated that other projects in the CIP would face similar challenges and suggested they look at this holistically as they enter the budget season.

Ms. McKeel stated that they were cautious in how the referendum was written, as they could see this possibly happening.

Ms. Mallek asked Mr. Letteri if they had done a recent sweep of savings left over from various mortgages in order to get cash for one of these projects, stating that she was not sure that there were pots of savings available in project funds. Mr. Bill Letteri, Deputy County Executive, replied to Ms. Mallek's question and confirmed that Mr. Henry annually reviews all projects to determine savings. He reminded them that they talked about putting some of the savings of borrowing costs from lower than expected interest rates into a reserve to fund additional debt service in case projects came in at higher than expected costs. He stated that they could fund the additional \$3.7M requested with part of those savings with some money still remaining to support other local government projects.

Mr. Sheffield asked Ms. Allshouse for a breakdown of the cash funds used. Ms. Allshouse replied that she did not have the details, but it included a small proffer and some other cash funding from an appropriation brought before the Board. She added that whenever they borrow money for a project, they always include some cash with it. She stated that borrowed funds cannot be used for certain items and they usually use some pay-go funds.

Ms. Palmer asked if the \$2.7M requested would be borrowed. Ms. Allshouse indicated that most of it would be borrowed, although they intend to include some cash.

Mr. Dill asked if the interest rate is already fixed and locked in. Ms. Allshouse replied that it is not and they would have to go out in the spring.

Mr. Sheffield commented that he would like a better articulation of the numbers to help him understand the total cost of the project.

Mr. Randolph emphasized to Ms. Allshouse the importance of verifying the amount of cash taken from the general government budget when developing the quadrant they use at the end of the year for the percentage of the budget dedicated to general government versus schools. He stated this is an invisible subsidy of the schools by general government and it is important for the public to be able to see what the costs are.

Recess. Ms. McKeel called for a brief recess to allow Ms. Allshouse to pull up her records so as to address questions posed by Supervisors. At 2:12 p.m., the Board recessed and reconvened at 2:31 p.m.

Mr. Tistadt addressed the Board. He stated that if the Board does not approve additional funding, they will have to reduce Year 2 modernization funding by this amount. He stated that the security projects must go forward, as well as the Western Albemarle science addition, in order to meet capacity requirements. He stated that the \$7.6M for Year 2 modernization would end up being \$5M. He stated that the \$1.5M for Woodbrook is a fixed price bid, while the \$1.2M is an estimate based on what they believe to be current market conditions. However, the recent hurricanes are likely to result in materials shortages and increased costs and he will not be surprised if the bids are higher than estimated.

Mr. Sheffield commented that he now has better clarity regarding net costs of the project.

Ms. Mallek stated that she was reassured that \$1.7M is being taken from cash and not \$5M.

Ms. McKeel asked Ms. Allshouse to add the document she provided about cost breakdowns to the agenda packet. Ms. Allshouse agreed.

Mr. Sheffield asked if a budget change amendment would be required. Ms. Allshouse replied that if the Board approves the request, they would bring back an appropriation next month.

Ms. Palmer commented that if it comes in even higher, she would like to see it rolled into all the other things, as she would hate to do this repeatedly without looking at how it compares with other needs of the County. Mr. Tistadt stated that they could design bids so that they would have the ability to ratchet back the scope to the available funding and have the ability to implement increments of it if the money is not there.

Mr. Sheffield stated that he would vote in favor mainly because he is tired of underfunding capital projects.

Mr. Dill **moved** that the Board approve the School Division's request for additional funding for a bond referendum to support School Division capital projects. The motion was **seconded** by Ms. Mallek. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.
NAYS: None.

Agenda Item No. 12. Brookdale Affordable Housing Development.

The Executive Summary presented to the Board states that over the past seventeen years, Albemarle County provided various types of support for a number of multifamily developments. A number of these included support for the owner's application for Low-Income Housing Tax Credits (LIHTC) and mixed-income financing. Several have received financial support from the County including the renovation of the former Whitewood Village Apartments (now Park's Edge Apartments), renovation of The Meadowlands, and the construction of Wood's Edge Senior Apartments and Treesdale Apartments. The County provided financial support to nonprofit partners for each of these developments.

In March 2017, William Park with Pinnacle Construction approached the County to request financial support for the development of a proposed 96-unit multifamily rental property located on Mountainwood Road to be owned by Bluestone Land LLC. The proposed project is called Brookdale. The property is zoned R-15 allowing for the proposed ninety-six units utilizing a density bonus. The Albemarle County Economic Development Authority (EDA) induced the issuance of \$11 million in tax-exempt bonds for the development. Use of tax exempt bonds also provides for an allocation of LIHTC to provide equity for the project. It should be noted that LIHTC supports about 90% of new affordable housing units across the country. Receiving LIHTC allows the developer to raise private equity to construct and/or renovate multifamily properties requiring that rents be restricted and occupants have incomes that do not exceed allowable income levels. Brookdale must rent to households with incomes at or below sixty percent (60%) of the area median income for a period of thirty (30) years.

Bluestone Land LLC is requesting that the County provide financial support equal to the annual real estate taxes on the improvements to the property for a period of fifteen (15) years with an additional phase-out period of five (5) years. The estimated annual incentive currently is \$71,000. Assuming an annual increase in real estate assessments of 2.5%, the total support would be approximately \$1.5 million over the twenty-year period. On a per unit basis this would equate to \$796 per year for each unit over the twenty-year period or \$530 per year over the thirty-year period of occupancy/rent restrictions. The annual financial support will be governed by a Performance Agreement (Attachment A) between the County, the EDA, and the developer/owner. The County would assess taxes, the owner would pay the taxes to the County, and the County would appropriate funds to the EDA in the amount of taxes related to the improvements. The EDA would provide the annual incentive to the owner only after the County/EDA had determined that the property is in compliance with the Performance Agreement's occupancy and rent requirements.

The request for local financial support is being made due to changes in the pricing of tax credits resulting in less private equity available to support the development that has created a financing gap. Late last summer when the EDA was approached to provide tax-exempt bonds the development was financially feasible. Investors were willing to pay a premium for LIHTC of over \$1 per credit. After the November 2016 election, investors reduced their offers by as much as ten percent due to talk of tax reform and the increase in interest rates. This reduction directly impacts the feasibility for developments like the proposed Brookdale.

The market value of LIHTC are but one of a number of factors impacting the feasibility of this project. The cost of debt financing, allowable rental rates by HUD, construction costs, project expenses, to name a few, are all subject to change and affect the feasibility of the project. The proposed extent of local support is based on conditions as they are today, but those conditions could change over time. Staff has consulted with our financial advisors who are presently unaware of any imminent changes in the political or financial markets that could materially change the feasibility of the project or the amount of local support required at this time.

To assess the need for additional affordable rental units, it is important to look at trends and projections of the population and households in the County, as well as the current supply of tax credit-supported properties and other apartment developments in the price range of the proposed Brookdale. The following includes information taken from a market analysis conducted in October 2016 by S. Patz and Associates approved by the Virginia Housing Development Authority. Since the analysis is area-wide, it includes the City of Charlottesville.

- Weldon Cooper Center for Public Service estimated the population for 2016 in Charlottesville at 49,160 and Albemarle at 106,270 for a total of 155,430. An adjustment was made for those in "group quarters", primarily students, resulting in a total estimate of 145,730.
- The Center projects the adjusted population in 2019 to grow to 151,800.
- Renter households are projected to grow from 26,080 (2016) to 27,410 (2019). The percentage of renters is projected to remain stable at 42.6%. The percentage of renters has remained in a range of 42.1% to 42.8% since 2000.

- 14.3 percent of renters (3,730) were within the income category eligible for Brookdale in 2016 growing to a projected 14.5% or 3,910 in 2019. The annual income range used in the analysis was \$40,000 to \$54,500.
- The number of persons per household has remained stable at 2.38 since 2000 and is projected to drop to 2.37 in 2019.

While projected growth will have a moderate impact on need, the forecast is not as good when it comes to the supply of affordable housing. There are nine (9) tax credit properties in Albemarle County with a total of 914 units. Four of the properties (287 units) are restricted to elderly households leaving 627 income-restricted units in five properties for the general population. Over the next nine years, three of these properties (443 units) will end their compliance period for affordability. There are currently no affordable housing proposals, with the exception of Brookdale, for adding to or replacing existing affordable units. Two developments approved and underway have a twenty percent (20%) requirement for affordable units but that will only replace approximately ten percent (10%) of the affordable units that will no longer need to comply with the affordable guidelines over the next decade.

In addition to the tax credit properties located in the County, an area analysis should also include tax credit supported apartment communities in the City and non-assisted apartment communities that have competitive market rates with Brookdale. The addition of these properties brings the total number of affordable units to 1,457, still well below the projected number of rental households. **More importantly, in October 2016 there were only 10 vacant units out of the 1,457 identified affordable units.** This is consistent with past market data and well below the five to seven (5% to 7%) vacancy rate used in underwriting. A one to two percent vacancy rate is generally associated with normal turnover and, otherwise, considered fully leased.

The County's Comprehensive Plan adopted on June 10, 2015 identifies affordable housing as a component of the Housing chapter, as well as the Economic Development chapter. Strategy 1d in the Economic Development chapter states:

- "Jobs and housing have a strong relationship in a community".
- "Workers need to be able to find housing at prices, sizes, and locations that enable them to live in the area in which they work".

Strategy 2c in the Economic Development chapter further states that "Workers in support jobs often have greater needs for affordable housing, day, care, and transportation than workers in professional positions. The County's efforts should include helping address barriers to education, housing, day care, and transportation."

The Housing chapter of the Comprehensive Plan, Objective 6 states "*Provide affordable housing options for low-to-moderate income residents of Albemarle County and those persons who work within Albemarle County who wish to reside in Albemarle County*".

Funding for the proposed contributions will come from incremental property tax revenues derived from the increased value of the project's improvements. However, since property tax revenues from the project are committed, staff reasonably expects there will be a negative impact to the budget due to government/school services required to support residents of the project.

Staff recommends that the Board adopt the attached Resolution (Attachment B) to approve the Performance Agreement.

Mr. Ron White, Chief of Housing, presented. He stated that William Park of Pinnacle Construction is also present to answer questions. He stated that they have received a request of financial support for a 96-unit apartment complex to be called Brookdale, located between Country Green Road and Mountainwood Road, with the primary entrance off Country Green Road and an additional entrance on Mountainwood Road to serve a 12-unit building. He stated the property is zoned R15 and the developer had requested a 12-unit density bonus. He stated that project financing had been obtained through issuance of \$11M in tax-exempt bonds through the County's Economic Development Authority, as well as low income housing tax credits. He stated that the financing required rent and income restrictions, and the property would be restricted to 60% occupancy by households at or below 60% of the area median income, for a period of 30 years.

Mr. White stated that he had been asked to determine the types of occupations that might qualify for housing, but this is difficult to determine because qualification depends on household size and includes other sources of income and that every household has a different circumstance. He stated that the income of a first-year teacher would be over the limit to occupy a unit; however, if the teacher were married and had children but provided the only source of income, then they might qualify. He stated that this would apply for a police officer as well as most classified County employees up to pay grade 11. He stated that the requested financial assistance to support the development is an annual amount equal to the amount of taxes paid on the increased value associated with the development.

Mr. White stated that the performance agreement designates the value of the land, and anything over and above the value would be considered the tax increment, which was the basis for the requested financial assistance, to be ongoing for 15 years then phased out over the next 5 years. He stated that the County would begin collecting full taxes on the property by the year 2021. He stated that based on the current tax rate the assistance would be approximately \$71K/year and based on a three-party

performance agreement between the owner, County, and Economic Development Authority. He stated that the estimated amount over 20 years was \$1.5M, which totaled \$530/year per unit over the 30-year compliance period, and he had been asked if this level of assistance is appropriate. He stated that the County had provided varying levels of financial assistance in the past, with the last being for Woods Edge senior housing in 2000, which received tax-exempt financing and \$30K/year for 10 years from the County.

Mr. White said that the best way to answer the request is to determine whether the amount requested is necessary to make the project feasible from a development and operating standpoint. Mr. White said that in the case of Brookdale, the operational budget is not feasible without the requested support, and underwriting by lenders, HUD, and VHDA for tax credit purposes also includes some level of review to avoid over subsidizing of the development. He referred to Page 2 of the Executive Summary where he stated that it was clearly noted that the market value of low income housing tax credits was only one of many components with additional considerations being the cost of debt financing, restrictive rental rates, and project expenses.

Mr. White said he would review a couple of other questions that were posed. He stated that he was asked if the development could be served by a bus line, and explained that the development site is about 500 feet away from Old Lynchburg Road, which has an asphalt sidewalk with the 5th Street bus stop located about 1,000 feet away from the Brookdale entrance. He stated that another question posed was about how often requests for subsidized housing come in. Mr. White said they periodically receive requests for tax credit projects, though they are not all the same. He emphasized that this project is bond supported, has 4% credits, and is feasible when first approached. Mr. White stated that the most similar project was the Woods Edge project in 2000, and the Treesdale project was financed by 100% tax credits. He noted that a final question posed was the impact on services infrastructure, stating that this type of residential development does not pay for itself and there would be an impact on the budget and services. Mr. White stated that giving tax revenue back to the developer for assistance might add to this to a certain extent, and they should look at the opportunity cost of what the County can do if it has an additional \$72K/year. He concluded the presentation, recommending the Board adopt the resolution attached to the Executive Summary as well as the performance agreement. He invited questions.

Mr. Sheffield asked if the County receives any credit counted in a revenue sharing agreement. Mr. Walker stated that they would not. Mr. Kamptner explained that they would not because they would be collecting the full real estate taxes from the property.

Ms. Mallek asked if all 96 units are available for 60% AMI residents. Mr. White confirmed that they are.

Ms. Palmer asked if only income is considered or if they also consider savings, and if a lot of retirees on social security would qualify. Mr. White stated that it is total household income, which would include income from assets but not the value of the assets.

Mr. Randolph pointed out the cost of \$11M in bonds and \$1.5M in County financial support, and asked if the \$11M includes interest costs to the Economic Development Authority. Mr. White deferred to Mr. Park. Mr. William Park, President of Pinnacle Construction, replied to Mr. Randolph's question. He stated that the \$11M is debt that they are repaying, so it would be \$11M plus interest out of the operations pocket.

Mr. Randolph stated that the total direct cost is \$12.5M and they are not factoring indirect costs such as additional educational, social services, police, and fire impacts. He added that the Board should consider, given that the project is 1/5 mile from public transportation and that access to public transit is essential to make affordable housing work, whether it might be better to dedicate this funding to Southwood, which would have transportation access. He stated that if they do approve this location, they should consider enhancing the sidewalk so the bus stop would be easily accessible, which would add to the cost structure.

Ms. Mallek stated that it is not fair to count the \$12.5M being invested by Mr. Clark as a cost to the County, though the County is putting in \$75K/year for 10 years. She stated that she would support adding an additional bus stop and a sidewalk, and commented that the addition of 96 affordable housing units is huge.

Ms. Palmer added that there are a lot of costs and she has received a lot of complaints about this area. She stated that she has spent a lot of time trying to decide where she stands on this, noting that there are several projects in this area, including 80 units of tax credit low income housing at Tuna Land along Old Lynchburg Road near Azalea Park. She noted that there are no sidewalks along Country Green or Mountainwood Roads going down to Old Lynchburg Road, and there is another undeveloped property at the corner.

Mr. Park stated that they would install sidewalks on their property consistent with the ordinance.

Ms. Palmer stated that perhaps they could work with other property owners to fill in the sidewalk gaps.

Mr. Park addressed Mr. Randolph's comments about impacts on services, stating that the majority of residents are from the area already and so most of these services are already being provided. He stated that there are about \$650K of water and sewer impact fees, as well as the usual planning and permit fees. He said they began the project during summer of 2016 when the market was much different,

and since then interest rates have increased and equity prices have decreased, along with tariffs on lumber and higher labor rates. Mr. Park emphasized that this is a performance agreement and at the end of the year, they will receive a bill and pay full taxes. He stated that if they fulfill the agreement by having 100% of the units occupied by residents at 60% or less of AMI, then they would receive an incentive. He stated that they are looking to do what the comprehensive plan calls for, which is to provide affordable housing while at the same time giving the County the ability to protect the taxpayer. Mr. Park said the project had been vetted and they have a proven track record of doing affordable housing, and pointed out that his company is local and will own and manage the project. He stated that they could still salvage the project but cannot do it alone and so that is why they are here today.

Ms. Palmer stated that she had been ready to deny the project because she felt it was reactive, although now she plans to make a motion for approval. She stated that she hopes the Board can establish a policy about these types of projects, noting that they have a lot of affordable housing coming into this area and it should be spread throughout the County. She stated that the extensive building of multi-unit apartment complexes in this area has created a need for more infrastructure, including a bus stop and sidewalks.

Ms. McKeel emphasized the importance of having Charlottesville agree to a transit partnership in order to get this work done.

Ms. Palmer indicated the Brookdale project is scheduled for completion in three years which does not leave much time to budget for an additional bus stop.

Mr. Sheffield asked Mr. Kamptner if the County could attach infrastructure requirements as part of a policy for development of affordable housing. Mr. Kamptner confirmed that they can.

Mr. Park emphasized that affordable housing development is difficult to accomplish and they must get multiple programs to work together. He stated that affordable housing means different things to people, and projects developed have different requirements for percentage of median income to qualify. Mr. Park said that at 60% of median income, there are many people who earn too much to qualify for rent subsidies, sometimes referred to as "the working poor" and includes County employees from pay grade 15 and below. He suggested that they not make the requirements of developers too proscriptive.

Mr. Sheffield acknowledged Mr. Park's concerns and indicated that they should seek a balance when establishing infrastructure requirements.

Ms. Palmer **moved** that the Board adopt the proposed resolution to authorize the Interim County Executive to execute the Performance Agreement on behalf of the County after approval as to content and form by the County Attorney. The motion was **seconded** by Ms. Mallek. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.

NAYS: None.

Mr. Sheffield stated that JAUNT receives a significant amount of requests in this area from people who do not realize that they live outside of the rural area zone that JAUNT serves. He said that residents in this area can only be served by JAUNT if they are disabled.

Mr. Randolph expressed hope that some County employees who qualify by income would consider living here, as it is accessible to 5th Street and the County Office Building and has bicycle access.

RESOLUTION

Whereas, the County of Albemarle ("County") has supported and promoted affordable housing over the past several decades through its policies and incentives; and

Whereas, Objective 6 in the Housing Chapter of the County's Comprehensive Plan states: *"Provide affordable housing options for low-to-moderate income residents of Albemarle County and those persons who work within Albemarle County who wish to reside in Albemarle County";* and

Whereas, a strategy to support this objective is to *"Provide guidance, resources, and incentives to non-profit and for-profit development and financing entities to increase the supply of affordable housing (both rental and owned) for households with incomes between 0% and 80% of the area median income.";* and

Whereas, Bluestone Land LLC proposes to construct a 96-unit multifamily development to be known as Brookdale to serve households at or below sixty percent (60%) of the area median income; and

Whereas, the Albemarle County Economic Development Authority has induced the issuance of \$11 million in tax-exempt bonds to support the financing of Brookdale; and

Whereas, low-income housing tax credits will provide for equity investment to support the development of Brookdale; and

Whereas, Bluestone Land LLC has requested financial incentives from Albemarle County as provided in a Performance Agreement to be executed by the County, the Albemarle County Economic Development Authority, and Bluestone Land LLC.

Now, therefore, be it resolved that the Albemarle County Board of Supervisors authorizes the Interim County Executive to execute the Performance Agreement on behalf of the County after approval as to content and form by the County Attorney.

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT made and entered into this _____ day of _____, 2017, by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA**, ("the EDA") **BROOKDALE PARTNERS LP**, a Virginia limited partnership (the "Developer"), and **ALBEMARLE COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County").

WHEREAS, the Developer intends to develop affordable housing at Albemarle County Parcel Number 07600-00-00-046C1, located on Country Green Road, Albemarle County, Virginia, in substantial conformance with the Initial Site Plan application number SDP201700003 approved by the County on March 20, 2017 (the "Project"); and

WHEREAS, the Albemarle County Board of Supervisors ("Board of Supervisors") desires to promote and encourage affordable quality housing for all income levels in the County of Albemarle, Virginia pursuant to Objective 6 of Chapter 9 in the Albemarle County Comprehensive Plan; and

WHEREAS, on _____, the Board of Supervisors adopted a Resolution expressing the County's commitment to support the development of affordable housing by agreeing to provide the Project with semi-annual grants through the EDA based on a certain percentage of the taxes paid by the Developer due to the increased real estate assessment; and

WHEREAS, the EDA desires to promote and encourage the economic development and vitality of the County and assist in providing affordable quality housing in the County by agreeing to provide the Developer with any grants submitted to the EDA by the County to support the development of affordable housing in the County; and

WHEREAS, the Board of Directors of the EDA approved a Resolution on _____, agreeing to the terms of this Agreement and authorized the Chairman of the EDA to sign this Agreement on behalf of the EDA; and

WHEREAS, the Board of Supervisors approved a Resolution on _____, agreeing to the terms of this Agreement and authorized the County Administrator to sign this Agreement on behalf of the County.

NOW, THEREFORE, in consideration of the mutual promises, covenants and obligations herein contained, and other good and valuable consideration, the parties agree as follows:

1. The Developer agrees to the following:

(a) The Developer agrees to develop the Project in substantial conformity with the Initial Site Plan application number SDP201700003 approved by the County on March 20, 2017. The Developer specifically agrees to develop at least eighty-four (84) units reserved for households with incomes less than 60% Area Median Income (AMI). As recommended by County Planning staff during the Initial Site Plan process, the Developer intends to utilize Density Bonus provisions in the Albemarle County Code (Section 18-18.4.3) to develop up to ninety-six (96) units reserved for households with incomes less than 60% Area Median Income (AMI) to be shown in a Final Site Plan application. This Performance Agreement shall apply to all affordable units developed pursuant to an approved Final Site Plan. The Developer shall certify annually to the County Executive that these affordable housing uses are continuing with respect to the Project.

(b) The Developer shall obtain site plan and building permit approval from the County to construct at least eighty-four (84) residences at the Project. The Developer shall certify to the County it has been awarded Federal Low Income Housing Tax Credits eligible for affordable housing development and has obtained approval from a reputable financial institution agreeing to finance the construction of the buildings and appurtenant site improvements.

(c) The Developer agrees to begin construction of the Project within One Hundred Eighty (180) days of obtaining building permit approval, subject to force majeure events or written agreement of the parties extending such time period.

(d) The Developer shall substantially complete the construction of the Project in substantial accordance with the approved conceptual elevation and site plan and obtain the required Certificate of Occupancy for the first building within thirty-six (36) months from the date construction begins, subject to force majeure events or written agreement of the parties extending such time period.

(e) The Developer agrees to continuously operate and to maintain the Project during the term of this Agreement and be responsible for all maintenance, taxes, insurance and other costs associated with the Project. If the use of the Project changes during the term of this Agreement, the Performance Incentive will no longer be provided. If any County taxes on the Project are delinquent during the term of this Agreement, the Performance Incentive will not be provided until the delinquency is satisfied.

2. The County agrees to the following:

(a) The County agrees to provide to the EDA funding for a Performance Incentive Grant (the "Grant") over a time period commencing with the first real estate tax bill that is based on an increased assessment of the property due to improvements constructed in connection with the Project which is billed after a certificate of occupancy for the Project is issued and ending nineteen (19) years from the date of issuance of the final certificate occupancy for the Project.

The Performance Incentive Grant shall be as follows:

(i) Commencing on the date of issuance of the first tax bill reflecting an increased assessment arising out of the development of the Project after issuance of a certificate of occupancy for Project and through 15 years after the issuance of the final certificate occupancy for the Project, the annual grant shall be based on 100% of real estate taxes paid on the tax increment (the amount of future increases in the real estate tax assessment above the existing assessment) (the "Tax Increment") of the property owned by the Developer and comprising the Project (Albemarle County Tax Parcel Number 07600-00-00-046C1), which shall be determined annually by subtracting (i) the stipulated current assessed value of the property of \$1,057,800 from (ii) the future assessed value of the property based upon a re-assessment of the Project arising out of development of the Project (as determined by the Albemarle County Commissioner of the Revenue on an annual basis).

(ii) In year 16, the Grant shall be based on 80% of the real estate taxes paid on the Tax Increment. In year 17, the Grant shall be based on 60% of the real estate taxes paid on the Tax Increment. In year 18, the Grant shall be based on 40% of the real estate taxes paid on the Tax Increment. In year 19, the Grant shall be based on 20% of the real estate taxes paid on the Tax Increment.

(b) The County shall provide to the EDA the required funding for the Grant semiannually subject to the terms and conditions of this Agreement. The County shall provide the EDA the required funding for the Grant within fifteen (15) days after the Developer has paid the full amount of the assessed County real estate taxes due for the applicable half of the year.

(c) The Grant shall commence with the first real estate tax bill issued that is based on an increased assessment of the property due to improvements constructed in connection with the Project after the issuance of a certificate of occupancy for the Project. The Grant shall continue to be paid for a period of nineteen (19) years from the date of issuance of the final certificate occupancy for the Project.

3. The EDA Agrees to the following:

(a) Subject to the Developer performing each and all of its obligations under this Agreement, the EDA agrees to, on a semi-annual basis, and within fifteen (15) days of receipt of the semi-annual Grant funding from the County, to disburse the Grant funding proceeds to the Developer consistent with the terms and conditions of this Agreement as requested by the County.

(b) The EDA shall have no obligation to the Developer to provide the Grant if the County does not first provide the EDA with the funds. The EDA's only obligation to the Developer is to provide the Developer with the Grant funds that were provided to the EDA by the County.

4. This Agreement shall be governed by, construed, interpreted and the rights of the parties determined in accordance with the applicable laws of the United States and the Commonwealth of Virginia. The venue for any dispute between the parties relating to this Performance Agreement shall be exclusively state courts of competent jurisdiction in Albemarle County, Virginia or the United States District Court, Western District of Virginia, Charlottesville, Virginia.

5. Notice and other correspondence regarding this Agreement shall be hand delivered or mailed through the U.S. Mail or by national overnight carrier to the following addresses, or to such other or additional addresses as the parties may designate in writing:

EDA: Albemarle County Economic Development Authority
Attention: _____
401 McIntire Road
Charlottesville, VA 22902

Developer: Brookdale Partners LP
Attention: William Park
1821 Avon Street Extended, Suite 200
Charlottesville, VA 22902

County: Albemarle County _____
Attention: _____

401 McIntire Road
Charlottesville, VA 22902

6. This Agreement may be assigned by Developer without the written consent of the EDA or the County to an entity wholly owned by such party so long as the new entity expressly assumes the obligations herein and remains fully liable under this Agreement.

7. Each party shall execute and deliver, or cause to be executed and delivered, any and all instruments, documents and conveyances, and take any and all action as shall be necessary or convenient, required to vest in each party all rights, interests and benefits intended to be conferred in and under this Agreement.

8. This Agreement may be executed in Counterparts, each one of which, when all parties have signed, may be conformed and shall constitute an original document.

9. This Agreement shall be binding on the parties, their respective successors and assigns.

10. This agreement shall be subject to an annual appropriation by the Board of Supervisors. Failure by the Board of Supervisors to appropriate the Grant shall terminate this Performance Agreement with no further obligation upon the part of either party.

Notwithstanding the foregoing to the contrary, provided the Developer pays the full amount of assessed real estate taxes due, the County shall fund the Grant as set forth in this Agreement.

11. This Performance Agreement may be amended by the mutual written consent of all three parties.

12. This Agreement is the full and complete agreement between the parties and no amendment or modification can be made to this Agreement unless and until it is reduced to writing and executed and delivered by all parties.

WITNESS the following signatures and seals.

DEVELOPER:

**BROOKDALE PARTNERS LP,
a Virginia limited partnership**

By: BROOKDALE LLC,
a Virginia limited liability company, its General Partner

By: BLUESTONE LAND, L.L.C.,
a Virginia limited liability company, its Manager

By: _____
William N. Park, Manager

**ECONOMIC DEVELOPMENT AUTHORITY
OF ALBEMARLE COUNTY, VIRGINIA**

COUNTY OF ALBEMARLE, VIRGINIA

Douglas C. Walker
Interim County Executive

Agenda Item No. 13. Resolution to Reaffirm Commitment to Local Climate Action and Environmental Strategic Plan Process.

The Executive Summary presented to the Board states that at its June 7, 2017, meeting the Board of Supervisors directed Environmental Services (ESD) staff to pursue the development of a resolution outlining the County's support of actions to reduce climate change impacts. In accordance with that direction, ESD staff has submitted a draft that reaffirms the County's commitment to reducing climate change effects and highlights the work that has been done in support of that priority. (Attachment A)

Further direction was given at the June meeting to explore more extensive environmental protection initiatives as stated in the Board's FY 17-19 Strategic Plan. Currently, the County's efforts related to climate change are guided by the goals and strategies put forth in the Environmental Stewardship Strategic Plan. (Attachment B) This document was developed as an outcome of the August 2011 Local Climate Action Planning Process (LCAPP) Steering Committee Final Report (Attachment C), and was adopted in November 2011.

The original goals established in the Environmental Stewardship Strategic Plan (with the exception of those related to solid waste) will expire on or before December 30, 2017. Rather than simply revising the expiring goals of the Environmental Stewardship Strategic Plan, ESD staff is updating the document and the County's approach to reflect the Board's interest in pursuing a more comprehensive

climate action strategy. The intent is that the updated plan will expand the County's operational goals, while establishing strategic priorities around climate goals in the larger Albemarle County community.

The goals and strategies put forth within the current plan placed an emphasis on Local Government operations, and specifically those that fall under the purview of General Services:

- energy use and recycling rates at main County office buildings (5th street, Court Square, McIntire) and,
- fuel efficiency in some fleet vehicles.

Efforts implemented across the broader community have been led by local non-profit organizations, with participation from the County. In the time since the adoption of the Environmental Stewardship Strategic Plan, the County has provided support in community initiatives such as:

- Local Energy Alliance Program (LEAP)
- Better Business Challenge
- Solarize Charlottesville.

To accomplish a meaningful revision to the Environmental Stewardship Strategic Plan, staff recommends following the "five-part framework" from the original LCAPP outlined in Attachment C. This process would involve individual subject matter experts and representatives of community organizations forming work groups concentrating on the five-independent energy related categories identified in the original LCAPP:

- Energy and the Built Environment
- Energy and Mobility
- Energy Sourcing
- Energy and Materials
- Energy and the Landscape

Each of the groups will be charged with providing an analysis of the regional progress within their category. They will also be responsible for identifying new resources available for implementing the updated priorities, as well as investigating the models provided by other localities.

The process to engage the work groups and to initiate community engagement strategies will start in the fall of 2017. The analysis and development of recommendations is expected to take approximately six months. Presentation of formal recommendations to the Board is tentatively anticipated to take place in the spring of 2018. Upon the establishment of the work groups, a more defined schedule of deliverables will be communicated to the Board.

Adopting the Resolution has no budget impact. Workload will increase with the expanded scope of implementing local climate action recommendations. Facilities and Environmental Services has a vacant, currently unfunded position for an Energy Programs Coordinator, which is a pay grade 12. FES will include a funding request for this position as part of the Fiscal Year 19 budget process.

Staff recommends that the Board adopt the attached Resolution to reaffirm commitment to local climate action (Attachment C). Staff requests Board concurrence with direction to implement the plan as described.

Mr. Trevor Henry, Director of Facilities and Environmental Services, and Greg Harper, Chief of Environmental Services Division, presented to the Board.

Mr. Henry stated that they would present a resolution and a proposed climate action plan. He stated that Andy Lowe, Environmental Compliance Program Manager, is not able to attend today due to a family obligation.

Mr. Harper reminded the Board that in July they had expressed interest in the adoption of a resolution to proclaim the County's interest in climate action and to establish an action plan. He reminded them that Kirk Bowers of the Sierra Club had appeared before the Board at the August meeting and had asked the County to sign on to the Sierra Club program to commit to 100% clean energy by 2050.

Ms. McKeel pointed out they have an agenda item scheduled for Friday's strategic planning work session to discuss environmental action and climate change.

Mr. Henry stated that this item is on the agenda as a placeholder in case today's discussion carries over.

Mr. Harper pointed out the strategic plan includes an explicit goal to explore more extensive environmental protection initiatives such as the Local Climate Action Planning Progress Report. He stated that they would ask the Board to consider adoption of the resolution and to also provide feedback for development of a draft local climate action plan. He stated that he would remind the Board of actions they have taken over the past 10 years since the County signed on to the Cool Counties resolution sponsored by Fairfax County in 2007. He stated that the local climate action planning process began in 2009, with a report presented in 2011 by the steering committee that provided guidelines for localities to develop an

action plan. Mr. Harper said the County had adopted an environmental stewardship strategic plan in 2011 focused on government operations, which is due for a review.

Mr. Harper stated that they also put a lot of effort into a baseline greenhouse gas emissions plan and an energy management program, including investment grade audits of County buildings conducted for the Energy Star conservation award, and data management conducted mainly by interns. He said the County has been engaging with companies that do energy performance contracting, and the schools are moving forward with LED lighting and water conservation initiatives. He stated that efforts to upgrade the County Office Building are on hold until a determination of its future use is determined. He recognized LEED certification of the recently completed Crozet and Northside Libraries, as well as 1.1 MW of solar panels installed at six County schools. He reviewed several initiatives and recognitions, including the earning of a Sol Smart bronze award designation, a bicycle share program so that County employees could use a bicycle to run errands and attend meetings during work hours, paper recycling program, and exploration of a property-assessed clean energy program, participation in the Local Energy Alliance Program (LEAP), and Better Business Challenge.

Mr. Harper next summarized the resolution, which emphasized its relationship with the County's strategic and comprehensive plans, recognition of climate change and the need to address this, benefits of climate action and the role of local government, past actions taken by the County, that the effort is part of a global initiative, and development of a climate action plan. He stated that they would likely look to the principles and action strategies of the 2011 LCAP report as a basis for climate action planning, while recognizing that there have been changes in technology since the report was issued. He pointed out that the LCAP report had determined that local government accounts for only 4% of total energy use, which means they should broaden their efforts beyond County government and make it a community-wide effort. He expressed his opinion that they should both address emissions reductions as well as ways they would adapt to climate change. He stated that they will conduct another baseline inventory and forecasting, reduction targets, implementation and adaption strategies, monitoring, and evaluation. Mr. Harper recognized potential partners as the City of Charlottesville, University of Virginia, the business community, local experts, committee organizations, and environmental organizations, with emphasis on education and participation. He stated that a draft plan will be presented for discussion, review, and approval by the Board in about a year, and asked the Board to adopt the resolution and affirm the direction provided.

Mr. Sheffield asked what the difference is between passing the resolution versus just having a general commitment from staff and direction from the Board. Mr. Harper replied that the resolution would be a strong commitment that says staff would dedicate time and resources towards taking action.

Mr. Sheffield asked for confirmation that the resolution would not be initiating anything new but would be reinforcing thoughts on climate change, and staff would come before the Board with ideas anyway, regardless of a resolution, and that the resolution would just add a little emphasis. Mr. Harper agreed. He stated that the sustainability strategic plan was the guidance document for staff and is expiring, and the climate action plan would provide direction to staff in the future.

Ms. McKeel asked County Attorney Kamptner to speak about the purpose of resolutions, in general. Mr. Kamptner explained that resolutions are statements of the Board's intentions and may establish policy, capturing the Board's action in a single document. He stated that they started using them three years ago for land use decisions and had expanded to other areas as a way to memorialize Board action.

Ms. Palmer stated that over the last four years they have taken an interest in sustainability and had emphasized this to staff. She recalled a Board meeting four years ago regarding this issue that had a disappointing outcome, stating that passage of a resolution would demonstrate they are back on track.

Mr. Dill stated that there is a timeliness to the resolution as the EPA is essentially being dismantled, recognizing that the County only accounts for 4% of energy usage and they could have an impact on the remaining 96%. He pointed out that the cost of solar has dropped significantly, and there is a tremendous opportunity with a large concentration of solar and wind energy companies in Virginia as well as the local area.

Ms. Mallek suggested that they change the terminology to "adaptation" because "adaption" is not a word. She noted that she is a farmer and climate change is already here, as breeding schedules have changed as well as the kinds of crops that can be grown and the types of insects in the area. Ms. Mallek stated that she is excited about this, as the County has dedicated minimal efforts when compared with Charlottesville and University of Virginia. She stated that community-level programs are important, such as a buy-down program offered by UVA Credit Union that allows homeowners to offset the cost of home improvement loans by savings in energy costs, which allows people of all income levels to participate and not just those who have the means to purchase a solar array. She asked if they can delay the resolution by one week so that more specific items could be added, such as a commitment to the Cool Counties program and Renewable Energy Alliance.

Mr. Harper asked if Ms. Mallek plans to send him an email with her suggestions of items to be added. Ms. Mallek stated that they could discuss this on Friday and then share their ideas.

Mr. Dill agreed with Ms. Mallek, as there are so many aspects to this issue, and suggested they put off the resolution until they agree on additional items to include.

Mr. Randolph noted that he had taught environmental public policy and environmental science, and he supports the initiative. He stated that government is no longer leading on this issue and local governments are taking action, such as in Denver to where he recently traveled and saw the airport surrounded by panels that provide it with power. He stated that he has three questions for Mr. Harper about how Albemarle County is doing with its efforts. He referred to Objective 1.1 in Attachment B to reduce energy consumption 10% by December 2017 and asked if this goal has been met. Mr. Harper responded that they are roughly 30% below 2005 levels, with a goal of 40% reduction.

Mr. Randolph asked if Objective 2.1 to reduce fuel consumption of County-owned vehicles by 20% by FY17 has been met. Mr. Harper stated that Mr. Andy Lowe would have this information and he is not able to provide an answer.

Mr. Randolph asked if Objective 2.2 to reduce the County fleet by 25% from 2010 levels by FY17 has been met.

Mr. Harper stated that he does not have the answer, but noted the staffing levels have increased.

Mr. Henry offered to research this and provide a response.

Mr. Randolph suggested that they include electric bicycles as part of the fleet for those who are not physically fit enough to bicycle as a way to reduce emissions. He emphasized that though he supports the resolution, he does not support the hiring of an energy conservation program coordinator, which was proposed in the budget for FY19. He suggested they conduct a cost-benefit analysis of how the hiring of someone would reduce costs overall in the County.

Ms. Palmer stated that materials management goals are also important though she understands the resolution cannot include everything.

Mr. Henry stated that they look at the resolution as the Board's intention and direction setting, with the plan delineating specific elements to be developed.

Mr. Dill suggested they go with the resolution and emphasized that they are not voting on the rest of the proposals.

Ms. Mallek referred to the five focus areas and asked that they focus on technological improvements so they do not rehash everything that was done over five years.

Ms. McKeel suggested they also consider the Thomas Jefferson Planning District Commission as a partner, in addition to the City of Charlottesville and University of Virginia, in order to have a more regional approach. She expressed hope that businesses and the Chamber of Commerce would become involved, as this is also about jobs and putting people to work. She related her experience during a recent trip to Vancouver and Seattle where she saw recycling containers everywhere and many bicycle and pedestrian lanes. She noted that in Canada she had observed many efforts to educate the public about conservation, and traffic lights included a separate signal for cyclists.

Ms. Palmer added that Rivanna Water and Sewer Authority and Rivanna Solid Waste Authority has environmental issues at the forefront of discussions and could also be partners.

Mr. Dill **moved** to adopt a resolution to affirm the commitment to support local action to reduce climate pollution. Ms. Mallek **seconded** by Ms. Mallek. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.

NAYS: None.

Mr. Henry offered to provide some of the data that they did not have available today at Friday's meeting. He stated that they could also provide FY19 funding proposals that might restore them from a community-level program of where they were before. He stated that these items could help inform the budgeting process.

**RESOLUTION TO REAFFIRM COMMITMENT TO SUPPORT LOCAL ACTIONS
TO REDUCE CLIMATE POLLUTION**

WHEREAS, the County of Albemarle has adopted long-term strategic goals to protect natural resources, safeguard the quality of life of current and future generations, foster economic prosperity, and invest in critical infrastructure; and

WHEREAS, there is scientific consensus regarding the reality of climate change and the recognition that human activity, especially the combustion of fossil fuels that create greenhouse gases, is an important driver of climate change; and

WHEREAS, climate change has been widely recognized by government, business, academic, and other community leaders as a worldwide threat with the potential to harm our economy, safety, public health, and quality of life; and

WHEREAS, climate change is known to negatively impact biological diversity and other natural resources, and the biodiversity action plan being developed by the County of Albemarle will address those impacts; and

WHEREAS, actions that reduce climate pollution and increase energy efficiencies will also lead to a cleaner environment, energy security, and a better quality of life for residents; and

WHEREAS, taking steps to increase energy efficiency and resilience can attract jobs and economic development opportunities to our community and increase our long-term economic competitiveness and wealth; and

WHEREAS, the County of Albemarle recognizes the role of local governments in influencing the community's impact on climate change; and

WHEREAS, the County of Albemarle is committed to demonstrating leadership in energy and carbon reductions at the local level, equipping the community to make informed decisions about the impacts of carbon emissions and energy, and promote actions that enable the community to reap the health, economic, and environmental benefits that accompany sound energy-based decisions; and

WHEREAS, the County of Albemarle has been deliberate and proactive in taking actions directly related to climate protection, including:

- endorsing a Cool Counties resolution in 2007 committing the County to a goal of reducing carbon emissions by 80% by 2050 (rescinded in 2011)
- collaborating with regional partners in 2009 to obtain a grant that funded the creation of Local Energy Alliance Program (LEAP)
- participating in the Local Climate Action Planning Process (LCAPP) concluding in 2011
- committing to fulfilling LCAPP recommendations by adopting an Environmental Stewardship Strategic Plan in 2013 with a review and update planned to begin in 2017
- publishing a Community Inventory of Greenhouse Gas Emissions
- achieving a bronze-level designation in 2017 through the national SolSmart program for adopting programs and practices that lower the cost and barriers for the community to go solar
- investing in energy-saving building upgrades, renewable energy like solar and wind, vehicles, and equipment; and

WHEREAS, for decades the County of Albemarle has promoted community planning principles that contribute towards a lower carbon footprint, including:

- managing growth and discouraging sprawl by designating 5% of the County as Development Areas and adopting Neighborhood Model principles of urban planning
- promoting a strong agricultural and forestal economy
- protecting natural resources
- promoting a multi-modal and environmentally-sound transportation network including mass transit and an extensive pedestrian and bicycle path network; and

WHEREAS, the County is joined in taking action on climate change by a global coalition of local, state, and national governments and community and business leaders; and

NOW, THEREFORE, BE IT RESOLVED that the County of Albemarle re-affirms its commitment to climate action and will continue to stand with cities, counties, and other public and private sector partners throughout the world to advance action in accordance with local and international goals; and

BE IT FURTHER RESOLVED that the County of Albemarle will coordinate with community partners and local stakeholders to build on past measures by developing a climate action plan as part of an update to the County's 2013 Environmental Stewardship Strategic Plan beginning in 2017.

Agenda Item No. 14. **Presentation:** CIP Project Update Presentation - 2nd Quarter CY 2017.

The Executive Summary presented to the Board states that the Facilities and Environmental Services Project Management Division (PMD) submits quarterly capital projects status reports to the Board of Supervisors (BOS) to provide a means of formal, regular reporting on the status of capital projects. Staff presented the first report to the BOS in February 2013 and continues to provide these updates via consent information reports to the BOS for each calendar year quarter.

PMD Quarterly Report Presentation: The 2nd Quarter Capital Projects Status Report is attached and provides summary and project specific detailed information pertaining to project scope, budget, status and schedule. This report is provided to ensure that the BOS is well informed regarding the status of Capital Projects being managed by the Project Management Division. The quarterly report is typically provided via consent information, however due to the significant number of school projects in construction over the summer and recent market fluctuations staff will present a high-level update of completed and underway projects along with insight on market changes that will influence the Capital Improvement Program. Prominent projects that started in the 2nd Quarter of CY17 were several School Referendum; Capital and Capital Maintenance projects; and Local Government projects for Fire Rescue, Parks &

Recreation, Public Works and the FES Environmental Division. Projects are categorized by status (completed, design and construction) as well as type of project (Capital and Capital Maintenance).

Market Trends Information: Two pieces of correspondence are attached to this Executive Summary that provide pertinent information pertaining to “current market” conditions in the construction industry. A brief summary of this information will be provided by the Chief of the Project Management Division.

No Budget impact.

This is a Regular Information Item and does not require Board action.

Mr. Trevor Henry, Director of Facilities and Environmental Services, introduced the presentation. He stated that prior to 2013, he had presented quarterly and more recently had presented a consent information report. He stated that they would review some key projects they had worked on over the summer.

Mr. Blake Abplanalp, Chief of Project Management, presented. He praised his staff of project managers and administrators for their hard work and stated that he is proud of the work that has been accomplished. He stated that he would review capital and capital maintenance projects, including the schools, local government, and transportation, and noted he uses the triangle construction concept to measure their level of success: on time, under budget, and high quality. He stated that he would also review current market trends and what they intend to do with the information gathered.

Mr. Abplanalp stated that they have worked on 51 construction projects over the four-month time period and completed over \$9.3M of work, including 11 projects totaling \$7.7M worked on during the nine-week summer school break. He noted that the schools have design committees, and praised the design professionals for implementing the tremendous ideas put forth by the committees. He stated that the \$13.6M Woodbrook project is the largest since Monticello High School and noted that they placed “Thank You Taxpayer” signs on the property during construction, which is something they may do at other sites.

Mr. Randolph asked about a position called “Clerk of the Works.” Mr. Abplanalp replied that due to the size of the project, they felt it was necessary to have a consultant on-site 24 hours per day in addition to the general contracting firm, Skanska.

Ms. McKeel commented that school construction projects are on a different level than other projects, as they have to conduct work while school is in session.

Ms. Abplanalp agreed and stated that safe egress for children and staff are a major concern, adding that they create gravel paths that are separated from the construction. He reviewed photos of the renovations, a new gym, and three classroom additions and reviewed some challenges of the work, including removal of load-bearing walls that required structural shoring. He stated that they would have a large amount of work to do next summer and are working with the school administration to see if they can have the contractor complete some work ahead of time.

Mr. Randolph noted the presence of steel in the photos and asked if it was imported or domestic. He speculated that U.S.-produced steel would be more expensive and cause the cost of construction to increase significantly. Mr. Abplanalp stated that he did not know the source of the steel but offered to find out. He agreed that U.S.-produced steel is more expensive.

Mr. Abplanalp next reviewed security renovations at Baker-Butler School, which he stated were completed on time prior to the start of school. He stated that the addition was expected to be completed by mid-November and presented photos of the work. He next reviewed the Western Albemarle High School learning space modernization, which he described as a large, single space that could be used as a media center or large classroom and provides flexibility to expand classroom space, as it could be partitioned into four spaces. He used the term “transformation of space” to describe the type of work done at the schools, which creates a more open environment for learning with the addition of skylights and additional windows. Mr. Abplanalp next reviewed science lab renovations conducted by CS Custom Structures of Lynchburg at Jack Jouett and Walton Schools. He stated that they had run into issues with a casework contractor that had to be fired by the general contractor, as they had not been able to meet requirements of the contract. He stated that they are speaking with another contractor about finishing the work.

The next project reviewed by Mr. Abplanalp was the Scottsville media center renovation, which recently received bids and letters of intent would be sent today with completion expected before the start of school next year. He next presented a list of some of the roofing and school maintenance projects conducted over the summer and praised the work of the County project management staff for their hard work. He expressed agreement with Mr. Tistadt’s remarks earlier today about the importance of soliciting bids earlier as contractors look to schedule their work projects early in the year. He stated that they would receive more bids and better pricing if they could act earlier.

Mr. Abplanalp stated that he would next review local government projects and began with the Rescue 8 station, which he stated is slightly behind schedule because they had run into structural problems with the existing building, noting that completion is expected by October. He reviewed the

progress of the Pantops Fire Station project and displayed some photos. He stated that the Preddy Creek bridge project was finished during the second week of August.

Ms. Palmer asked if Preddy Creek is expanding and if entrances would be able to get in through the Orange County entrance. Mr. Abplanalp responded that he did not have the answer but offered to find out.

Ms. Mallek pointed out that a significant part of the acreage is located in Orange County, not just the entrance.

Ms. Palmer acknowledged that she had not realized this

Mr. Abplanalp stated that the project manager for COB 5th Street had already began coordination of the step-by-step process with Fire & Rescue, Police, and the Emergency Communications Center for work that would involve switch gear for generators. He said that several local government projects are in the design phase, including NIFI scoping, and design firms are conducting mini-studies and have expressed their excitement with working on a unique project. He next listed some transportation projects, including Avon, Rio Road, and Route 250 crosswalk. Mr. Abplanalp said the challenge of retrofit projects is they cannot always follow standard VDOT requirements and must seek design waivers and provide justification, which is a time-consuming process, and then must go through the right-of-way acquisition process. He expressed interest in having a future conversation with the Board to review options available to speed up this process.

Ms. Mallek asked Mr. Abplanalp to send her information regarding places that require VDOT right-of-way and offered to assist in this effort. Mr. Abplanalp stated that the Hydraulic and Barracks Road sidewalk contract is routing currently, with commencement of the project in November. He stated that they would have preferred to begin earlier but the first round of bids were high, so they rebid the project to allow the contractor leeway to decide when to start, providing a specific completion date was met. He said this had resulted in additional bids, including one by AMT Engineering that was \$250K lower than the original lowest bid.

Ms. McKeel stated that her constituents would be happy the project is about to start.

Ms. Palmer asked how they will protect people who walk down the road during construction. Mr. Abplanalp replied they will install fencing.

Mr. Abplanalp reviewed the recently completed Old Lynchburg Road walkway and crosswalk, which just passed VDOT inspection this morning, and stated that the crosswalk at Region Ten was completed last Thursday.

Ms. Palmer stated that she would go out there to look at the completed work. She pointed out that the asphalt pathway was nicely pushed off the road, which made it look pretty, but it is sometimes not visible from the other side of the street when the grass grew. Mr. Henry offered to look into this.

Mr. Abplanalp reviewed the Ivy Road sidewalks project, which they had resubmitted to VDOT on August 11, and said the County hopes to begin the right-of-way and easement acquisition process soon, once it is approved. He reviewed Crozet Avenue North and South Pantops Drive, which are in Phase 3 of the stretch between Hickman Road and South Pantops Drive and should be completed in about one month. He stated that the crosswalk across 250 by Chick-Fil-A is operational. He referred to construction market information that had been provided to the Board, noting that project managers had been instructed to review the 85 CIP projects to determine if there is sufficient information to validate pricing. Mr. Abplanalp said if there is not, they would need to obtain additional information. He stated that the recent volatility in the construction markets had led them to work with the Skanska USA estimating group on certain complex projects whereby they would evaluate current market conditions and validate pricing.

Ms. Mallek asked if there are any established group purchasing arrangements with VACO or NACO. Mr. Henry replied that he has not seen this but offered to look into it. He stated that their term contract for asphalt was very competitive and had saved the County a lot of money.

Ms. McKeel stated that the report was great and very informative.

Mr. Abplanalp noted the report had a new format and the next report would have hyperlinks next to the listed projects so that one could go directly to a project.

Ms. McKeel asked if there had been discussions as to what to do with Greer Elementary School, which has seen enrollment increases and lack of space resulting in the addition of walls, removal of a stage, and the loss of use of some facilities. Mr. Abplanalp replied that he had not had any discussion about this but had yet to review the list of CIP requests for the schools. He stated that he would relay this message to school officials the next time he speaks with them.

Ms. Mallek noted the upcoming joint meeting with the School Board is about long-range planning.

Mr. Mark Graham, Director of Community Development, presented. He stated that this is a critical update as things will move fast from this point forward, and before addressing the Hydraulic project he will provide an update on Hillsdale. Mr. Graham said that VDOT had informed him the project is on schedule with the road scheduled to open by the end of October, though there would still be some work to do.

Mr. Dill stated that it is already being used as a bypass with people turning at Whole Foods and cutting through the shopping center.

Ms. Palmer noted that people are used to exiting Whole Foods without stopping, and she expects there could be accidents until people become used to it.

Ms. Mallek pointed out that there is a stop sign at the top of the ramp but people do not pay attention to it.

Mr. Graham stated that he will pass this observation on to City officials.

Mr. Graham stated that they had a design Charrette in August and a fairly well attended public meeting at Charlottesville High School, followed by a meeting of the Planning Commission with a completed concept plan expected by the end of this month. He stated that they will schedule a Planning Commission review for October, followed by Board of Supervisor review on November 1, at which time they will seek Board endorsement so they can move forward with the transportation plan by the advisory panel, and a potential Smart Scale application by next summer. He stated that they would simultaneously initiate a comprehensive plan amendment and seek Board direction on November 1. He stressed the importance of having a completed comprehensive plan by early next summer so they can proceed with the Smart Scale application. He concluded and invited questions.

Ms. McKeel noted that the website has modeling information.

Mr. Dill related an interview he had read in the newspaper with City Councilor, Kathy Galvin, who had indicated that K-Mart would become an office, and David Mitchum of Great Eastern Management stated that there would still be a need for retail and does not want the building limited to office use.

Mr. Graham stated the proposal is for mixed use, allowing both office and retail combined with residential.

Ms. McKeel expressed her understanding that Mr. Mitchum supports flexibility of use and not restrictions. Ms. Graham agreed.

Ms. Palmer asked if Kroger had decided to stay. Mr. Graham stated that they sit on the advisory committee and have not made any commitments regarding use of their property.

Ms. Mallek stated that she assumes Charlottesville will change its comprehensive plan for the three quadrants that lie within the City, and asked if the County comprehensive plan must be changed for its one quadrant.

Mr. Graham stated that it would go to Places 29 for an amendment to the master plan and there would be a core to the plan similar to the Rio Small Area Plan. He stated that the City and County would have to be on the same timeframes for the Smart Scale application.

Ms. McKeel stated that both Boards will have to vote and agree to support this in order to qualify for Smart Scale which is where the money comes from.

Mr. Graham stated that City and County staff are working closely to support each other.

Mr. Dill observed that they are building a carwash at the site of a former Pizza Hut and sandwich shop, and there is a check cashing business in the same strip, which he feels is a poor use of the property.

Ms. McKeel stated that the City approved the car wash though it was opposed by residents.

Agenda Item No. 16. Closed Meeting.

At 4:43 p.m., Mr. Randolph **moved** that the Board go into a Closed Meeting pursuant to Section 2.2-3711(A) of the Code of Virginia:

- Under Subsection (1), to:
 1. Discuss and consider appointments to boards, committees, and commissions in which there are pending vacancies or requests for reappointments; and
 2. Discuss and consider the appointment of a county executive.
- Under Subsection (7), to consult with and be briefed by legal counsel staff regarding specific legal matters requiring legal advice pertaining to:
 1. Activities on a preservation tract in a rural preservation development; and
 2. The terms and conditions of a proposed employment contract.

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

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.
NAYS: None.

Agenda Item No. 17. Certify Closed Meeting.

At 6:10 p.m., the Board reconvened into open meeting, and Mr. Randolph **moved** that the Board certify by a recorded vote that to the best of each Board member'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 passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.
NAYS: None.

NonAgenda. Ms. McKeel read a message on behalf of the entire Board of Supervisors. The message was as follows:

"We offer sincere condolences to the family, friends and coworkers of the victims of the violence that occurred in our community. This Board condemns those actions in the strongest terms, rejecting hatred, violence, and racism. On August 12 we witnessed an atmosphere of intimidation, disrespect, hostility, and fear that was dismaying and unacceptable to all of us. So tonight we gather together in this community space where we did the people's business. We want all of our speakers and listeners to feel reassured that they were in an environment of civility, respect, safety, with fair and equitable opportunity to express their views. We would provide the opportunity to hear from everyone who wants to express his or her comments to us. First, I want to take the opportunity to review how we ensure the type of civil discourse that we model in our meetings. Our expectation is to maintain decorum and if you take a look at the back of your agenda that you can pick up on the desk they are clearly written on the back page. Speakers are welcome to speak about any topic. Speakers will speak from the podium. Speakers will address the Board as a whole and not as individuals. Speakers may not give any portion of their unused time to other speakers. Speakers are allotted one opportunity at each designated public comment session. As the Board uses public comment sessions as a listening opportunity we do not engage with speakers or answer questions raised during the session. We will note comments for further and future reflection. To preserve the welcoming atmosphere of the meeting there will be no verbal expressions of agreement or disagreement, clapping, or speaking while another speaker is at the podium. We encourage you to show your support for other speakers by raising your hand. Speakers will respect time limits."

Agenda Item No. 18. Boards and Commissions: Vacancies and Appointments.

Removed from agenda.

Agenda Item No. 19. From the Public: Matters Not Listed for Public Hearing on the Agenda.

Ms. Linda Dukes of the Rio District addressed the Board. She stated that the statues of Generals Lee and Jackson have received a huge amount of attention this year and the City of Charlottesville is dealing with them. She stated that the statue of another confederate soldier on the courthouse grounds belongs to the County. She stated that the statue was erected in 1904 in the midst of the Jim Crow era, during which white supremacy was proclaimed openly and monuments were erected to the lost cause throughout the south. She stated that the statue symbolizes that justice was guarded by white confederates who did not value all people equally. She stated that the cannons that face those approaching the courthouse only reinforce that symbolism and the narrative of white supremacy continues today as we have seen in the blatant alt-right and neo-Nazi rallies and also in the not-so-obvious policies that have led to institutionalized discrimination in policing, housing, employment, healthcare, and education in Albemarle County. She stated that certainly in 2017 it is time to change the narrative of white supremacy that public places reinforce, and urged the removal of the statue of the confederate soldier and cannons at the courthouse.

Ms. McKeel asked Ms. Dukes to provide a copy of her speech to the Clerk.

Mr. Jim Bonner of the Scottsville District addressed the Board, stating that he has owned property in the County for over 40 years and raised and educated his children in the County. He stated that many friends and neighbors are not able to address the Board because they are tending to their children and looking after their homes and businesses. Mr. Bonner said that in his travels around the County, he has not met anyone who wishes to have the iconic statues removed. He stated that they love the statues, have grown up with them, and they are one of the things that makes this place so special. He stated that Charlottesville and Albemarle are rich in history that they treasure, both good and bad, and it has enormous value as part of our culture and who we are. Mr. Bonner said that people cannot understand how the actions of three people, two of whom were not from Virginia, could do so much damage to our community. He stated that a disgraceful misappropriation of authority by the City Council to demand

removal of our statues at our expense to exploit their own personal political agenda was an outrageous affront to the people of Albemarle and to democracy. He stated that they have witnessed the tragic deaths of three people and many others injured which had stained an otherwise stellar international reputation, due to the subjugation of democracy for the special interests of these City Council activists. He stated that the County and University of Virginia are losing investment and philanthropy for university research as a result of the reckless initiative to remove the statues and ensuing violence, which should never have happened. He stated that if the current legal challenges do not result in the protection of the monuments the only fair and truly democratic action would be a special referendum for those in the City and County to determine the fate of the statues. He stated that people need to be heard and to listen and that democracy means majority rules.

Mr. Frank Dukes of the Rio District addressed the Board. He stated that he has lived in the County for over 40 years and his children attended County schools. He referenced his letter to the Board in May regarding the equal justice and anti-lynching memorial and was pleased at the positive response. He stated that last night Charlottesville re-endorsed that they will participate in this initiative and requests the County cooperate with the City in the placing of the monument. He read the following quote of Sherilynn Ifill who wrote the following on the courthouse lawn: "Public acknowledgement of mass violence was essential, not only for victims and survivors but also for perpetrators and bystanders who suffer from trauma and damage related to their participation in systematic violence and dehumanization. Yet, most lynchings have never been publicly recognized." Mr. Dukes noted that this summer the County schools started a program that he participated in to tell more honest and complete racial histories. He stated that they have a long way to go and much of that history belongs in a museum, including the statues, monuments, and memorials. He asked if they really want the statue and cannon in front of the courthouse to say that this is who we are and how we see justice.

Mr. Don Gathers, a resident of Charlottesville, addressed the Board. He quoted Dr. Martin Luther King Jr.: "One had a moral responsibility to disobey unjust laws." He stated that the matter was not one of legality, although it would be up to interpretation of what the statute says about the statues, but of a moral imperative they need to follow. He recognized the unnecessary deaths of three people on August 12. He stated that the demonstrators were legally welcomed into the City and we saw what resulted from that. He stated that the statues have become a flashpoint, lightning rod, and magnet for evilness. He stated that it is the responsibility at any level of government to make sure residents are safe. He stated that the continuation of symbols of oppression, bigotry, and hatred that slavery represent on any government property has to stop. He implored the Board to remove confederate objects from the public viewpoint with expediency.

Mr. David Deaton of the White Hall District, addressed the Board. He stated that he is representing the Aromas Café Football Club, an amateur adult soccer team that conducts youth outreach, mentoring, and programming to kids, especially of those in need. He stated that beginning in the summer of 2018, they plan to become a nonprofit semi-pro team, which will allow them to expand services and become a community asset. He asked the Board for assistance in identifying partners that may wish to join with them. Mr. Deaton emphasized that soccer is the world's most popular support, is popular among millennials, and the area has the highest rate of participation in Virginia. He stated that his second request is for the County to upgrade area soccer infrastructure, especially at Darden-Towe Park, which can become a soccer park and economic magnet to the area. He pointed out there are several public tennis courts with lighting, while there are no soccer fields with lighting, and this is leading to missed opportunities for community building as kids of different backgrounds who play together can grow up to be adults that can live together.

Ms. Nancy Carpenter, resident of Charlottesville and former resident of Scottsville District, addressed the Board. She stated that she is present along with the Dukes to speak towards the recent violence surrounding the statue. She reminded them of cases of racial and gender insensitivity at Albemarle High School in November of last year as well as a recent decision to close a school in Keene, a historically black neighborhood. She stated that she has lived in Virginia all her life and can trace her roots to the Shenandoah Valley. She stated that if one's history celebrates raping, lynching, the bombing of a church where little girls were murdered, the murder of three voting rights activists, it is not the kind of history she wants to remember as a memorial or statue. She stated that the statues should be put in a museum or art gallery where they can be contextualized with references to what they are which are representations of white supremacy during the era of President Woodrow Wilson and the film, Birth of A Nation, as well as anti-miscegenation and voter suppression laws that represented the Jim Crow era.

Ms. McKeel noted that several months ago, the Board had requested that staff begin the process of assessing the County's historic buildings, monuments, structures, and statues. She invited Mr. Walker to provide an update.

Mr. Walker stated that a Historic Monuments Committee had been formed at the request of the Board to develop an understanding of the historic context of County history as memorialized in buildings, monuments, and structures. He stated that the committee is composed of representatives from Facilities and Environmental Services, Parks and Recreation, and the Architectural History Board. He stated that they are creating an inventory of buildings, structures, monuments, and markers that may have historical

or cultural significance and will develop an approach for addressing the identified historic assets and plan to come before the Board in October with a status update and identification of next steps.

Agenda Item No. 20. From the Board: Committee Reports and Matters Not Listed on the Agenda.

Ms. Mallek related that at a recent meeting, she had spoken with people from the eastern part of Virginia about solar farms and learned that counties had been remiss in requiring complete removal of whatever was put in the ground when decommissioning solar farms. She stated that steel poles and concrete had been left in the ground and expressed hope that they could find a way to require site cleanup similar to what they require for cell towers that are no longer in use. She stated that a practice of solar companies was to take away what was above ground but leave portions of poles that were below ground which could cover hundreds of acres.

Mr. Randolph informed the Board that the Residential Impact Committee continues to meet and had reviewed a variety of instruments at the last meeting, including transportation impact fees, special permits, and special districts. He stated that Bill Fritz will provide a matrix at the next meeting and they may finally achieve consensus as to how they wish to proceed with residential impacts. He said the effort was to make sure that whatever impacts are developed will be appropriate in cases of special development or residential development with a rezoning, as well as to the rural areas, in order to be evenhanded to both sides.

Mr. Randolph stated that Mr. Mike Culp had issued a note indicating that projects will be coming online for funding next year, and they would like to obtain interest from some internet providers to expand broadband in underserved areas.

Ms. Mallek asked Mr. Kamptner if they can require cell phone service providers to provide service in rural areas when approving cell towers. Mr. Kamptner replied that they cannot.

Ms. Palmer announced that she had attended a strategic planning meeting with staff and some board members of the Rivanna Water and Sewer Authority and Rivanna Solid Waste Authority, and they will be formulating objectives for future commitments. She stated that since the County and City provide funding, there was a question as to how to do this. She stated that she asked Rivanna Executive Director, Bill Mawyer, to provide an estimate of personnel needs if recycling is expanded, as well as the cost for a master plan for removal of the old Ivy recycling center once the new one has been completed. She emphasized that the timing will be next fall and involve the coming fiscal year.

Ms. McKeel stated that she hopes that at some point they can discuss what people are doing in their homes for recycling.

Ms. Palmer stated that they absolutely will, though it will take a financial commitment. She reminded them that Charlottesville's trash collection contract will expire in three years, which could provide an opportunity for them to work with the County. She stated that the committee includes a representative from University of Virginia as well as the Director of the Virginia Recycling Association.

Ms. Mallek reminded them that in the 1980's and 1990's, all the trash carriers picked up recycling at homes and removed recycled materials and placed them in a bin before they hit the scale, which saved the carriers money. She stated that the trucks were going there anyway and it would not cost them anything, and recycled materials may bring in some revenue.

Ms. Palmer stated that the County removed funding for the transfer area behind the post office in Crozet, and it then all fell apart.

Ms. McKeel asked Supervisors for permission to place discussion of workforce development action items put forth by Frank Friedman, President of Piedmont Virginia Community College, resulting from a joint Board of Supervisors, Schools, and PVCC meeting, on a future agenda.

Other Supervisors expressed their approval.

Agenda Item No. 21. From the County Executive: Report on Matters Not Listed on the Agenda.

There were none.

Agenda Item No. 22. Closed Session.

At 6:44 p.m., Mr. Randolph **moved** that the Board go into closed meeting pursuant to Section 2.2-3711(A) of the Code of Virginia under Subsection (3), to discuss the expansion of an existing business where no previous announcement had been made of the business' interest in expanding its facilities in the community; and under Subsection (7), to consult with and be briefed by legal counsel staff regarding specific legal matters requiring legal advice pertaining to activities on a preservation tract in a rural

preservation development. The motion was **seconded** by Ms. Mallek. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.
NAYS: None.

At 8:07 p.m., the Board reconvened into open meeting, and Mr. Randolph **moved** that the Board certify by a recorded vote that to the best of each Board member’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 passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Sheffield, Mr. Dill and Ms. Mallek.
NAYS: None.

Agenda Item No. 23. Adjourn to September 8, 2017, 8:30 a.m., Room 241.

At 8:08 p.m., with no further business to come before the Board, the Chair adjourned the meeting until 8:30 a.m., September 8, 2017.

Chairman

Approved by Board
Date: 01/03/2018
Initials: CKB