

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 21, 2017, at 6:00 p.m., Lane Auditorium, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from February 17, 2017.

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

ABSENT: None.

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

Agenda Item No. 1. Call to Order. The meeting was called to order at 6:02 p.m. by the Chair, Ms. McKeel.

Ms. McKeel introduced the presiding security officer, Officer Kelly Goforth, and County staff around the dais.

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

Agenda Item No. 4. Adoption of Final Agenda.

Mr. Dill **moved** to adopt the final agenda as presented. Ms. Palmer **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

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

Mr. Sheffield announced that he would need to leave the March 1, 2017 Board meeting at about 6:00 p.m.

Ms. Mallek mentioned there would be home well water testing in April, sponsored by the Soil and Water Conservation District, and she would have those dates in March.

Agenda Item No. 6. From the Public: Matters Not Listed for Public Hearing on the Agenda.

There were none.

Agenda Item No. 7. **PUBLIC HEARING** to receive comments on the County Executive's FY 2017-2018 Recommended Budget. (*Advertised in the Daily Progress on February 12 and February 19, 2017.*)

Mr. Walker stated that this is the next step in the FY18 budget process, and the Board has received the formal presentation from him in his role as County Executive, with the customary procedure of having the public coming in and making comment on the recommended FY18 budget. He said this leads to their consideration of the budget over the next several weeks, and there would be another public hearing on the Board's proposed budget on April 11, as part of the County's commitment to engagement with the public. Mr. Walker stated that this is a slightly abbreviated version of what the Board heard and is intended to provide a relatively broad overview of what the budget is intended to accomplish as recommended, with a copy of the budget and other materials available at the Clerk's station.

Mr. Walker reported that budgets are often built around what they support, and this budget is intended to support actions that achieve a number of Board focus areas, including their approved strategic priorities, the ongoing commitment toward transformation of the organization to provide services and programs more effectively and efficiently to citizens, the health of the organization to ensure its quality, thoughtful investments in the future, and mandates and obligations that must be supported. Mr. Walker stated that beginning with approval of the FY17 budget, the Board supported a very thoughtful and deliberative process that made some meaningful changes that led to where they are today with the budget. He said that budget set direction and provided resources, setting in motion the Board's consideration and ultimate adoption of their highest priorities in a strategic plan, refreshed the program and service inventory, initiated a priority-based budgeting process, which aligned the Board's priorities with its strategic plan priorities.

Mr. Walker noted that the Board had also considered and adopted a balanced two-year plan, in the context of the five-year plan, with the County having a tradition of long-range financial planning. He added that the five-year plan gives a meaningful look into the future, but the two-year balanced plan sets a clearer framework around the upcoming fiscal year and succeeding fiscal year to help guide decision

making so they are more aware of consequences of short-term decisions from one year to the next. Mr. Walker said the two-year plan provided guidance that staff has used to structure this recommended budget, and that guidance includes no tax rate increase, which delays the planned CIP tax rate that was previously identified for FY18. He stated that enhanced use of dedicated revenues for specific services relates primarily to the consideration of a stormwater utility fee, which is not intended to be part of FY18 but is part of FY19. He said the strategic use of new revenue and one-time money is reflected in the capital program, but also is used to accomplish some of the Board's strategic priorities.

Mr. Walker stated that the budget also maintains current service levels in accordance with the Board's desire not to lessen those, and uses the 60/40 split that dedicates 60% of certain new revenues to the school division as part of the County's annual transfer. He said the Board identified three focus areas as mentioned previously: implementing their approved strategic priorities, driving transformation to reduce costs and improve productivity, and continuing to support a quality organization. He presented a chart that showed the change in the rate of assessments over time, and noted that as part of the two-year plan process, staff projected a 1.8% increase in assessed value, but with the completion of the current land book, they are now projecting an increase in the assessed values of 2.9%. Mr. Walker stated that in addition to the increase in assessed value, the County is also realizing an increase due to new construction and land division, cars and personal property, consumer-driven activity including BPOL, sales, meals and lodging tax, and increased value of a corporation that was reassessed by the State Corporation Commission.

Mr. Walker reported that the recommended budget for FY18 is just under \$400 million, and on the revenue side the majority of that comes from local government, property, and other local taxes. He said that on the expenditure side, the school division is the most significant beneficiary of tax revenue, with K-12 education comprising just over 60% of the total budget for operations, capital and debt service. Mr. Walker presented a chart showing budgetary changes, noting a \$22 million increase or 5.8%, including a 5.4% increase in the combined operating expenses and almost 12.5% increase in the capital budget. He said that on the revenue side, general fund revenue is up 6.5%; there is a moderate increase in real estate values of 2.9%, which is complemented by an increase in new construction and land divisions. Mr. Walker noted that the budget is built on the current tax rate of 83.9 cents, with no tax rate increase proposed. He said that state revenues increased by 1.6%, primarily for the school division and social services, with federal revenues increasing by 3.1%, again primarily for social services.

Mr. Walker presented information on the change from the adopted FY17 budget to the recommended FY18 budget, noting the actual dollar and percentage changes. He said the total increase for the school division is \$10,950,000, a 5.5% increase. Mr. Walker stated that most of their discussion at the Board level in terms of choices for the allocation of resources is in the general fund, which is a complicated but important transition. He said the total budget includes all of the resources that come from the state to support K-12 education, so the general fund does not reflect those resources, but 68% of the total County budget is included in the general fund. He stated that general fund revenues include property taxes and other local taxes, with the total for local revenues up almost \$15 million, or 6.6%. Mr. Walker noted that state and federal revenues comprise a much smaller share of the change in local revenues at almost \$2 million or 5.8%; total general fund growth is \$16.77 million or 6.5%

Mr. Walker stated that with State revenue outlook, they tend to look at what the Governor has included in his budget presentation, but so much happens at the General Assembly session, it is difficult to predict how it will end up. He said the Governor's message was not terribly optimistic in December but has improved somewhat, although localities are still unclear about where the House and the Senate money committees would end up in compromise going forward with the budget. Mr. Walker stated that from FY09 to FY18, of the amount of the total general fund, the state is paying less of a share, so it reflects a change in the partnership that has defined local taxpayers who are also state taxpayers. He referenced a slide showing that the local share makes up a much larger percentage of the total amount of funding necessary to support the school system.

Mr. Walker reported that general fund expenditures are characterized by large departments, with administration including divisions such as Finance, IT, Human Resources, and OMB. He stated that these are the categories that staff reports to the auditor of public accounts for comparative reporting. Mr. Walker said that health and welfare and social services also include support for JAUNT, and public safety, in addition to the police department and fire/rescue, also includes support for the jail; parks, recreation and cultural includes support for the JMRL library system; and community development also including support for CAT. He state that these are not specifically departmental changes, and it is also worth noting that costs associated with personnel are spread throughout these categories. Mr. Walker stated that the revenue-sharing shows an increase for the first time in many years, \$88,000 for FY18, due to increases in assessments coming out of the recession.

Mr. Walker presented the Board's strategic priorities as adopted in FY17 that this budget intends to support through implementation going into FY18, including urban redevelopment and revitalization, the County Attorney's office, Community Development, modernization and recodification of the Zoning Ordinance to better prepare for potential investments in the development area, particularly around Rio/Route 29 in conjunction with the small area plan. He said the Board has also been informed of a neighborhood improvement funding initiative for smaller scale projects, and the \$1.4 million already provided is being supplemented with some additional resources to help support the soft costs to keep more of the funding available for the actual projects. He noted that the budget also reinforces investments in economic development, positioning the County to take advantage of those activities as they become available and as they move forward to implement the economic development strategic plan.

Mr. Walker reported that the budget addresses the Pantops Master Plan and the Rivanna River Corridor, as well as the Finding Families pilot program in DSS to minimize costs for foster care, additional agency support including expanded hours at Northside Library, the Boys & Girls Club at Southwood, the Belvedere Senior Center, and the Women's Treatment Center. He stated that regarding transformation, the budget reflects efforts to maximize cost savings and efficiencies, operational improvements, expansion of records management to move away from reliance on paper and do more digital recordkeeping, and data management, which includes converting the copy center to an imaging center. Mr. Walker noted that the County is also seeking to expand its Innovation Fund, which operationalizes employee ideas that improve efficiency and effectiveness and save money. He stated that the budget also includes a Diversity Inclusion Generalist position to improve recruitment and retention and better enable the workforce to look more like the community the County serves, as well as a time and attendance system, which is the first phase of a workforce management system in an effort to increase productivity throughout the organization. Mr. Walker said the budget reflects fire/rescue fleet consolidation, which involves fleet maintenance, following the successful effort to consolidate the fuel program and training program.

Mr. Walker stated that the budget also contains the objective of fostering a quality organization, promoting agility and flexibility to manage workloads to meet evolving needs, with a 2% market adjustment for classified employees, a remedy to relieve entry-level compression as the Board has discussed for the last two years. He said the budget also reflects the employer share of health insurance increases, increase in support for training employees, and investment in temporary and contractual resources so they are not investing in ongoing commitments. Mr. Walker noted that the budget continues to approve positions added during FY17, such as the planner positions in Community Development added to address workload concerns, and making adjustments to current positions, some that are part-time to be made full-time, as well as adding new positions.

Mr. Walker presented a chart to reflect how mindful they are of the relationship between the growth in population and staff's ability to keep pace with the growth, from FY09 to FY18, showing relative stability in keeping staffing levels on pace with population increase. He stated that total expenditures per capita are provided by the auditor of public accounts' comparative report, and illustrates that Albemarle is relatively comparable to the counties uses as benchmarks, with Charlottesville also included because they are a neighbor, and also to make the distinction between costs associated with operating a city and providing urban services and what is traditionally considered county services. Mr. Walker emphasized that it is in the organizational culture and DNA to focus on wherever and whenever they can address process improvement, trying to be effective, efficient and productive, in areas of technology, energy savings, purchase savings, etc. He added that regardless of where the County makes investments in the future, they should always be expected to look at current operations to find areas of improvement.

Mr. Walker stated that in terms of strategic investments in improving urban neighborhoods and the CIP and reducing borrowing costs, and in addition to the neighborhood improvement funding initiative, the budget seeks to restore funding that was diverted in FY16 from investments in capital to operating because of circumstances faced at the time. He said the budget also seeks to add significant one-time funds into the capital program; increases transportation revenue sharing, recognizing that the state is increasingly expecting local governments to participate in the cost of these projects, whether it is a one-to-one dollar match or Smart Scale projects, which are expected to be more shovel ready. Mr. Walker stated that a previously identified tax increase for FY18 is deferred in this recommended budget, which also includes funding for the ACE program.

Mr. Walker said that budget challenges are that despite the relatively good performance of the local economy, there is still an uncertain economy going forward, either because of changes that may be coming at the federal level or uncertainty at the state level. He stated that because of this, it is difficult, if not impossible, for staff to make predictions about what is going to happen. Mr. Walker said that while staff is proposing investments in staff resources to keep pace with demands for services, they are aware that there are unmet staff capacity needs, and they can address those positions that were requested and not funded and choices made in the budget. He stated that there is a significant investment in capital in this budget, but it does tend to reflect choices already made, not necessarily putting the County in a position to be considering the capital needs assessment and the projects that have been on the horizon, but have had to yield to more compelling needs and the commitment to the maintenance and replacement program.

Mr. Walker summarized his budget presentation, stating that the budget intends to implement the Board's strategic priorities; achieve transformation that promotes efficiency and productivity; sustain a responsive, flexible, high quality organization; invest resources into the CIP to build the County's future; and meet the County's mandates and obligations to maintain program and service goals. He stated that following this public hearing, the Board's next work session is scheduled for February 23, where staff would provide a budget overview and then start on the chapters. Mr. Walker said that March 7 is the final date for the Board to finalize the tax rate for advertisement, and in April there would be the public hearing on the proposed budget, with the final adoption of the tax rate and budget scheduled for April 18.

Ms. Mallek asked for clarification in the future about reported changes in BPOL rates, as the Board had received an email about it but she did not recall discussing it in their previous meetings.

Ms. McKeel asked for what year the \$700,000 had to be diverted. Mr. Walker responded that it was FY16.

The Chair then opened the public hearing.

Mr. Robert Hogue of the Samuel Miller District addressed the Board, stating that he had attended a town hall meeting in North Garden in 2016 and asked a school official why school busses are run on non-state maintained roads, and the answer he received was, "Because we can." Mr. Hogue said that money could be saved if school busses were taken off of these roads. He stated that he also asked a question of the Supervisor related to property tax relief for the elderly, specifically why the County does not collect some of the lost revenue from the sale of property after a person dies. He said the question was passed onto Mr. Foley, who could not answer the question either. Mr. Hogue commented that he is not sure he would ever get an answer to the question, and several people left the town hall meeting disgusted. Mr. Hogue stated that waiving the late book return fee for kids teaches kids and their parents not to take responsibility. He said the tax system punishes people who are 50 and older who have never had children, as 60% of their tax dollars goes to the school system, which he feels is discrimination, with those constituents feeling that they are not represented. Mr. Hogue stated that very few young people will grow up to do chores for senior citizens for free. He said the cost of school sports should be fully paid for by parents, parks should be funded only through entrance and activity fees, and taxpayers cannot afford to support every charity's request for County tax dollars. Mr. Hogue stated that the Board is elected to represent everyone, not just schoolchildren in the school system.

Ms. Palmer asked Mr. Hogue for his address, as she had emailed him a response to the tax relief for the elderly, but would like to mail it to him since he did not receive it. She also thanked him for his cleanup efforts on Dick Woods Road.

Mr. Peter Thompson addressed the Board, stating that he is a resident of the Samuel Miller District, but is representing the Senior Center, which serves all of Albemarle County and beyond. Mr. Thompson thanked the County for considering the Senior Center's request for a capital investment of \$2 million to build their future center at Belvedere. He stated that he is grateful for the time the County has invested over the last several months to learn more about how the Center's vision aligns with County priorities. Mr. Thompson said the Weldon Cooper Center states that the #1 demographic issue in the area is the aging of the community, and the community is in the midst of a doubling of the senior population in less than a generation, and the percentage of seniors comprising Albemarle's population will only continue to grow well into the future. He stated that as recommended in Mr. Walker's proposed budget, the Center fits within the County's strategic priorities, as it supports lifelong learning, but it would also include engagement opportunities for social wellness to avoid the growing public health crisis of social isolation; physical wellness programming; and an enhanced volunteer center to promote civic engagement; and performing in visual arts and community gathering spaces, which are vital to a healthy community for everyone. Mr. Thompson said that several prominent philanthropists encouraged the Center to seek this public investment, believing the funds are necessary and illustrating the credibility of the project in already meeting identified City and County priorities. He stated that the County's capital investment would be leveraged greatly by inspiring the next level of private philanthropy needed to complete this vital project. He noted that every Virginia County that Albemarle benchmarks with funds both their local area agency on aging and the senior center, and in one of the benchmarks for Albemarle, the local senior center is part of county government. Mr. Thompson stated that a healthy community needs both what JABA provides and what the Senior Center provides, and the Center also supports JABA's annual operating support request, because they provide equally important and very different programs and services for the citizens of the County. He said that as the County grows, government cannot fund all of citizens' needs, and private/public partnerships are a key strategy to meet County needs. The Senior Center will be raising 80% of the funding necessary to build the project, with only 10% or less coming from each the County and City governments. Mr. Thompson stated that the Senior Center will do all the planning and the execution of the project, saving valuable community resources; moreover, the County will have no ongoing financial obligation to the Center, because it is a capital investment and not an ongoing operating funding request. He said the Center has a 57-year record of success, a model reliant on private philanthropy supported by some earned income, a financial model that will work nicely at the Center at Belvedere. Mr. Thompson stated that the Senior Center is one of the most respected in the country, and won the 2009 Pinnacle Award as North America's "premier community center for all aspects of senior wellness." He said there were many reasons for the award, but first and foremost was the fact that the Senior Center has always grown and adapted to meet the needs of the community as it has changed and grown, and in order to continue to achieve that level of excellence, the community demands the Center at Belvedere, and Albemarle County's investment is vital to making the project a reality.

Ms. Kathy Kildea addressed the Board and stated that she is a resident of the Rio District and reiterated that she supports everything that Mr. Thompson has said. Ms. Kildea said that she wrote to the Board in January to support the Senior Center's capital investment request and reiterates that support at this meeting. She stated that her parents, grandfather, and great aunts were all active members of the Center, and she is grateful for the multiple ways in which they were supported through Senior Center programs, as their participation kept their minds and bodies active and engaged, and provided an incredibly valuable social network that served them well until their passing. Ms. Kildea said that she and her family members understand the value of the Center's many offerings, and her parents selected the community here because they wanted somewhere with a proactive approach to healthy aging. She added that the relationships formed extended far beyond those meetings and classes, with strong friendships formed that yielded rides to doctors, wellness checks, and community referrals. Ms. Kildea stated that she has now submitted membership for her household, as she is the age to do so, and she is very fortunate to have the Center so close to her home, but regardless, she would proactively support funding of the Center.

There being no further comments, the Chair closed the public hearing.

Ms. Palmer stated that there would be more public hearings, and she hopes to hear from more constituents.

Agenda Item No. 8. From the Board: Committee Reports and Matters Not Listed on the Agenda.

There were none.

Agenda Item No. 9. From the County Executive: Report on Matters Not Listed on the Agenda.

There were none.

Agenda Item No. 10. Closed Meeting.

At 6:44 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 (7) to consult with and be briefed by legal counsel and staff regarding specific legal matters requiring legal advice relating to activities at the Ragged Mountain Reservoir. Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

Agenda Item No. 11. Certify Closed Meeting.

At 7:45 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 carried by the following recorded vote:

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

Agenda Item No. 12. Adjourn to February 22, 2017, 1:00 p.m., Lane Auditorium.

At 7:46 p.m., Ms. McKeel **moved** to adjourn the Board meeting to February 23, 2017 at 3:00 p.m. in the Lane Auditorium. Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

Chairman

Approved by Board
Date 07/12/2017
Initials CKB