

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 22, 2018, at 3:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from February 20, 2018.

PRESENT: Mr. Norman G. Dill, Mr. Ned Gallaway, Ms. Ann Mallek, Ms. Diantha H. McKeel (arrived at 4:35 p.m.), Ms. Liz A. Palmer and Mr. Rick Randolph.

ABSENT: None.

OFFICERS PRESENT: County Executive, Jeff Richardson, County Attorney, Greg Kamptner, Clerk, Claudette Borgersen, and Senior Deputy Clerk, Travis O. Morris.

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

Ms. Mallek introduced the presiding security officer.

Ms. Mallek had participants introduce themselves.

Ms. Mallek announced that Ms. McKeel was running late due to her attendance at a Planning meeting and expected her to join the budget meeting shortly.

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Agenda Item No. 2. **Work Session:** FY 2018-2019 Operating and Capital Budgets.

- Overview.
  - Budget Summary (begins on page 53)
  - Revenues (begins on page 67)
  - Expenditures (begins on page 81)
- Brief overview of major changes associated with the following expenditure categories:
  - Administration Area (begins on page 91)
  - Judicial (begins on page 113)
  - Public Safety (begins on page 125)
  - Public Works (begins on page 139)

Ms. Lori Allshouse, Director of the Office of Management and Budget, reminded the Board that this meeting is the first of several work sessions, with the goal of obtaining the Board's approval of the budget and set the tax rate on April 17 for FY19, which begins July 1, 2018. She said staff will follow the same process as last year since they received positive feedback from Supervisors about the process. She reminded the Board that the sessions will be interactive as staff works through the budget book, presents information, and allows for dialogue. She recognized that several staff experts are in the audience and available to answer questions. She said she will compile a list of items the Board identifies for further discussion. She pointed out that March 5 is the day when the Board completes its discussion, finalizes direction for its proposed budget, and determines the tax rate for advertisement, followed by a public hearing and final adoption.

Ms. Allshouse presented a slide with an agenda for the meeting:

- Budget Summary
- General Fund Revenues
- General Fund Expenditures
- Functional Areas: Administration, Judicial, Public Safety, Public Works

Ms. Allshouse presented a list of important dates for long-range planning as follows:

- FY17 – 19 Strategic Plan
- FY19 – 23 Capital Improvement Plan
- FY19 – 23 Five-Year Financial Plan
- FY19 – 20 Two-Year Balanced Fiscal Plan

Ms. Allshouse presented a slide with pie charts of revenue sources and expenditures for the FY19 budget of \$428,500,374. She emphasized that the work sessions will focus on the \$290,361,413 General Fund, which she said acts as a "heart" that transfers money to other funds. She next presented pie charts of revenue sources and expenditures from the General Fund, pointing out that property taxes represents the largest revenue source and transfers to schools represents the largest expenditure. She emphasized they are looking at the first year of a five-year Capital Improvement Plan.

Ms. Allshouse reviewed Pages 67-79 covering General Fund revenues. She explained how revenues were projected with the following methods: linear trend line analysis, year-over-year methodology, assumed rates of growth, algorithm modeling, regression modeling and institutional knowledge and intuition. She explained that a 10-person team led by the Department of Finance uses GFOA best practices to analyze revenues and consults with all County departments and officers. She presented the FY18 adopted and FY19 General Fund revenues in a side-by-side comparison, which showed a 4.9% year-over-year increase to \$290.36 million. The comparison chart shows several sources of local and outside revenue sources. She next reviewed real estate property taxes, which she described

as being the largest source of revenue within the General Fund at 52%, and are expected to generate \$151 million in FY19. She stated this is a \$7.5 million or 5.2% increase over FY18.

Ms. Allshouse explained that \$4.5 million is due to appreciation and \$3 million is due to growth of new construction and land divisions. She said this was based on a 2.2% increase in CY18 reassessments and the assumption of an additional 2% increase in CY19 reassessments. She further explained that the real estate tax was calculated at a rate of \$0.839 per \$100 of assessed value and that each penny on the tax yields approximately \$1.8 million in collectible real estate tax revenue. She explained how the lowered or effective tax rate represents what the tax rate would need to be to yield the same amount of money so there would not be an increase. She said this figure would be \$0.8117 per \$100 of assessed value. She explained how the County offers a tax relief for the elderly and disabled rebate program equaling \$950,000, an increase of \$40,000 over last year.

Ms. Allshouse presented a chart of trends in other local taxes from FY10 – FY19. The chart showed gradual increases in sales tax, business license fees, and food and beverage tax, and slight decreases in utility and transient occupancy taxes over this period. She surmised that the decrease in consumer utility taxes, despite population growth, was due to the improved energy efficiency of appliances and customer energy conservation. She attributed the decline in collections of transient occupancy tax to increased hotel bed space in Charlottesville, with a potential additional factor of Airbnb.

Ms. Palmer asked if they had seen Albemarle's collections in the past go down when Charlottesville's increased. Ms. Allshouse confirmed this correlation, adding that Charlottesville's collections in FY18 increased while Albemarle's decreased.

Ms. Allshouse next presented a slide of state revenues under four categories:

- 1) Non-Categorical Aid: \$15.8 million – includes \$14.9 million in personal property tax relief, vehicle rental tax, and miscellaneous.
- 2) Categorical Aid: \$6.3 million – includes social services funding, recordation taxes, HB599 (law enforcement), fire rescue services funding, and miscellaneous.
- 3) Shared Expenses: \$2.3 million – Commonwealth's Attorney, Clerk of the Circuit Court, Sheriff, Registrar, and funds for Department of Finance.
- 4) Payments in Lieu of Taxes: \$158,000 from University of Virginia

The next slide presented federal revenues to the General Fund as follows:

- 1) Categorical Aid: \$6 million – designated for specific use – usually received on a reimbursement basis and primarily for social services and Medicaid reimbursements
- 2) Payment in Lieu of Taxes: \$40,000 for tax exempt federal parks lands in the County

The slides indicated that the General Fund state revenues for FY19 were \$24.5 million, representing a \$195,000 or 0.8% increase over last year, while federal revenues for FY19 were \$6 million, representing an increase of \$351,000, or 6.2% over last year.

Mr. Randolph expressed hope that by this time next year they would have a better explanation for why revenues from the transient occupancy tax have been declining and whether counties similar to Albemarle were experiencing declines. He expressed that although this tax represents a relatively small portion of overall revenues, they use this revenue to promote tourism – and a declining revenue source is problematic over the long term. He requested that they revisit this topic later this spring or summer. Mr. Randolph noted that revenues from machinery and tools had also declined and emphasized it is difficult to attract industry to the County and stressed the importance of growing existing industry.

In anticipation of a future discussion on the transient occupancy tax, Ms. Mallek asked Ms. Allshouse to present an update on the County's efforts to get businesses registered and paying taxes.

Mr. Gallaway referred to Page 71 and the methodology used to prepare revenue estimates. He said he had noticed that the business license and sales taxes adopted in 2018 compared to future estimates was approximately \$1 million, and the 10% projected increase for this year was beyond what the Board adopted but was only 3-4% over what they were estimating. He asked for clarification on the methodology used to make projections on both the adopted and estimated amounts. He noted they have a \$2.6 million positive fund variance between the FY18 adopted monies and the estimate. He expressed concern over the accuracy of projections when they experience a large positive variance. Ms. Allshouse replied that staff provides quarterly revenue reports and compares estimated and actual data.

Mr. Steve Allshouse, Manager of Economic Analysis and Forecasting, Department of Finance, came forward to address Mr. Gallaway's questions. He explained that they have a multi-pronged methodology and use historical trend data, future trends, projected construction, algorithms that analyze population and jobs data, econometrics, as well as institutional knowledge from staff. He said there would always be some variance from the estimates, but in the seven years he has worked on this they have been fairly close overall. He acknowledged that the FY17 actuals came in 5% over what they had projected for the General Fund, which he said was within Government Finance Officers Association (GFOA) standards but was higher than he would like. He explained that each year they review the methodology used in the previous year and adjust it as needed, constantly striving to improve.

Mr. Gallaway asked for an explanation of why the projection for BPOL revenue was \$300,000 above what was estimated for FY18. Mr. Allshouse replied that BPOL is a one-time revenue that

generally reflects the prior calendar year's economy. He said that staff analyzes business conditions in the County and use sales tax, food and beverage tax, and construction data to make estimates. He explained that he looks at the General Fund holistically, with the most important factor being to get the bottom line number within a percent or two of variance.

Mr. Bill Letteri, Deputy County Executive, recognized Mr. Allshouse's work over the years in expanding the County's approach by involving many departments and looking at best practices used in other jurisdictions. He emphasized that the County has a large budget and although dollar amounts of variance may sound large, they are relatively minor in percentage terms. He said they want to be conservative but not find themselves in a difficult position.

- **Expenditures**

Mr. Andy Bowman, Senior Budget Analyst, continued the staff presentation and said he would review changes in General Fund expenditures. He presented a slide that compared General Fund expenditures by category for FYs 18 and 19, which is on Page 81 of the budget document provided to Supervisors. He explained that expenditures are organized into two groups, with the first group consisting of seven functional areas of government services as established by the Virginia State Auditor for Public Accounts for reporting consistency among localities (Administration, Judicial, Public Safety, Public Works, Health & Welfare, Parks, Recreation & Culture, and Community Development). He pointed out that in FY19 the expenditures in these functional areas were estimated to increase by \$5.25 million, or 5% over FY18 levels. He said the largest dollar increase was in Public Safety and the category of Health & Welfare would see the smallest percentage increase. Mr. Bowman explained why this service category would see a minor increase despite the expansion of the Bright Stars program and the addition of positions in the Department of Social Services. He said costs for the Children's Services Act have been contained as a result of staff's focus on prevention and in obtaining increased reimbursements from the state, and without this success, the Health and Welfare category would have seen a larger increase. He clarified that the category of Community Development did not represent only the Department of Community Development but also the Office of Economic Development, Charlottesville Area Transit, the Thomas Jefferson Planning District Commission, and other partners.

Mr. Bowman next reviewed the second category of expenditures, known as non-departmental – with this category consisting of Revenue Sharing, Transfers to Schools, Ongoing Transfer to Capital/Debt Service, One-Time Transfer to Capital/Debt Service, and Other Uses of Funds. The chart showed an \$8.23 million, or 4.8% increase from FY18 to FY19. He explained that Revenue Sharing represents the agreement with the City of Charlottesville, for which there would be a slight decrease. He explained that there is a school funding gap of \$1.2 million between the School Board's recommended budget and revenues available in the County Executive's recommended budget, which is subject to change as the state moves through its budget process. He reminded the Board that the School Board will present its request to them on March 1. He presented a slide that listed some General Fund cross-departmental changes, including a 2% increase and 0.7% pay-for-performance reserve of \$1.1 million, a decrease for the Virginia Retirement System rate of \$37,000, and a 5.7% decrease in employer contribution to health insurance of \$294,000.

Ms. Mallek asked if the projected decrease in FY19 one-time transfer to capital is because they had other capital sources in the fund balance that they did not take out of the General Fund.

Mr. Bowman replied that rather than creating new obligations for acquisitions or services, they decided to do a one-time transfer to the CIP to support the needs of this program. He said the FY18 amount was \$1.2 million and is \$400,000 in FY19.

Ms. Allshouse added that they would take the local government share of revenues and send them to the capital program.

Mr. Dill asked if the budget document shows the cost to the County to address the issue of compression. Mr. Bowman responded that the implementation of a compression remedy was included in the FY18 non-departmental reserve budget and then distributed to departments during the year. He said the compression is now reflected in departmental budgets – whereas in FY18 it was not. He said the compression amount is \$680,000, which includes the impact of benefits.

Mr. Bowman next presented a graph of per-capita staffing for FY09 – FY19, with current levels at 6.8 per 1,000 population, the same level as in FY09. He noted that it shows staffing levels reaching a low during the recession in FY12 at 6 per 1,000. He explained that staff added since the recession has been mostly in Public Safety and Social Services. Mr. Bowman's next slide presented a comparison of staff levels for the seven functional areas of government for the years FY09, FY17, FY18 and FY19, which shows the total number of staff across the functional areas proposed as 749 for FY19 compared to 720 in FY18, 704 in FY17, and 656 in FY09. He emphasized that they continue to invest in social services and public safety while also adding staff in administration, community development, and in other services. He noted that Page 89 of the budget lists the new proposed positions. His next slide demonstrated how they had aligned the increased staffing to their budget goals of strategic resource allocation through the three strategic priorities: Sustain a Quality Organization, Advance Strategic Priorities, Maximize Transformation and Address Emerging Issues.

Mr. Bowman next addressed funding for community agencies and 58 community partners. He explained that human services nonprofits are reviewed for performance by a City/County Agency Budget Review Team, consisting of staff and volunteers, which makes recommendations. He said these agencies

would be reviewed in more detail at the February 26 budget meeting, at which Gretchen Ellis from the City would address questions regarding this process. Mr. Bowman next reviewed cultural agencies, which he said are reviewed by an internal County staff team representing various departments. He next reviewed regional authorities & joint exercise of power agreements, citing examples such as Rivanna Solid Waste Authority, the regional jail, and the emergency communications center.

Mr. Gallaway said he noticed that the staff resource plans does not appear to have current and prior year information and appears to include unfunded items that did not make it into the recommended budget. He asked for clarification about resource plans. Mr. Bowman replied that "resource plans" is the name for the process and they are reflected in the budget baseline, noting that staff separates changes in baseline expenses versus new programmatic changes or changes to levels of service.

- **Administration Area**

Mr. Letteri stated that he would walk through the four functional areas of **Administration, Judicial, Public Safety** and **Public Works**, and said he would highlight major changes or special issues and provide a sense of what positions were asked for but not funded. He began with the category of Administration, explaining that this represents the day-to-day management and administration of government. He presented a pie chart from Page 91 which showed a proposed allocation of \$15 million, representing an \$863,000 or 6.1% increase. He commented that **Administration** represents about 5% of the General Fund and includes the Office of the County Executive, Board of Supervisors, Human Resources, County Attorney, Finance, Information Technology, Office of Management and Budget, and Voter Registration. He began with the proposed FY19 budget for the Board of Supervisors of \$702,000, a \$25,000 increase over last year. He explained that part of the increase is due to the addition of the board and commissions features to the Granicus program as well as an increase in public officials' liability insurance.

Mr. Randolph asked if insurance rates for public officials had increased statewide. Mr. Letteri confirmed this.

Mr. Dill asked why staff salaries are projected to increase by 2% while compensation for the category of Board of Supervisors is projected at 1.2%. Ms. Allshouse explained that the salary line includes overtime and part-time salaries, which explains why there are changes that differed from 2%. She offered to provide him with more detail.

Mr. Dill commented that he would like the core people to get at least 2%.

Mr. Letteri next referred to Page 95, which presented the Office of the County Executive's budget. He explained that this office is responsible for implementation of Board policy and directs day-to-day administration. He said the proposed budget is \$1.4 million, an increase of \$116,000 from last year (8.9%). He said there is an overall increase in the operating budget of about \$67,000, primarily due to the addition of the biannual citizen's survey. He noted that several positions had been requested but were not funded in the recommended plan, including a community relations generalist, audio visual specialist, brand development consultant, and additional office support. He referred to Page 96 of the executive summary, which provides a general summary of the executive office group that includes the County Executive, two deputy County Executives, organizational development, and a management analyst. He said that community relations consists of a director, community specialist, and community engagement specialist.

Mr. Randolph recognized that in FY18 they appropriated \$22,866 for costs associated with a search for a new County Executive, and he would like the public to know that the Board feels strongly that this money was well spent, as they were able to conduct a quality search process. He noted that this was a driver in the increase in Board of Supervisors' budget in the current year. He recognized that this cost could have been placed in the Office of the County Executive's budget and that inclusion in the Board's budget was a judgement call, as both seemed to fit.

Mr. Letteri referred to the Department of Human Resources budget on Page 97, noting that this department falls under the schools, but the County contributes about 25% of its budget and shares in its resources. He said that HR has 24 full-time staff and a total operating budget of \$3.4 million, with \$852,000 representing the County's portion. He said the FY18 proposed budget was for \$877,000, an increase of 12.2%. He listed the responsibilities of HR, including recruitment, classification, administration of salaries, benefits, workplace safety, diversity and inclusion, and training and development. Mr. Letteri stated that the operational areas would see an increase of about \$40,000, including a \$30,000 tuition reimbursement and an increase in the transfer to the School Division for its 2% salary increases. He said the County will fund 25% of a new full-time position for the time and attendance program, which will help with tracking of time and leave and create more integrity in the payroll system.

Ms. Mallek added that they have been planning for this new position for five years.

Mr. Randolph asked Mr. Letteri to comment on any efficiencies the new position would provide and on the benefit to taxpayers. Mr. Letteri replied that the ability to accurately track time and leave will result in savings as compared to the current manual tracking system. He recognized a second benefit of the program will be the ability to capture data efficiently, resulting in cost avoidance.

Mr. Gallaway inquired as to whether they will track the program over time to determine if it pays for itself, commenting that it is a good idea when investing money to eventually have it paid for by what it

was invested in. Mr. Letteri replied that an assessment of the new software was conducted, and a preliminary estimate of savings and avoidance costs was provided, adding that other major benefits of the program are compliance and fairness.

Mr. Letteri referred to Page 100, which contains the budget for the Office of the County Attorney. He said there would be no staff additions and the overall budget would increase by 0.6% to \$1.2 million. He stressed that this office serves both local government and schools.

Ms. Mallek thanked Mr. Kamptner and his staff for taking on an increased workload.

Mr. Letteri next reviewed the budget for the Department of Finance on Page 102. He noted that this department also serves both local government and schools. He reviewed its list of responsibilities, including payroll, compensation and benefits management, accounts payable, accounts receivable, procurement, capital financing for projects, general accounting, and quarterly and annual reporting. He said they are proud of the awards the department has earned and of its stewardship in maintaining an AAA bond rating. He said the total budget is \$6.08 million, an increase of 6.5% over last year. He noted major changes in the budget including a \$30,000 increase in training, \$23,000 for increases in software and licensing programs, and \$16,000 for post-employment benefits. He reviewed three additional positions in the budget, with the first being a business process analyst who will look at the integration of various systems and ways to create connections and efficiencies. He said the position could eventually be moved to the Department of Information Technology but would be an embedded finance position, due to its focus on finance's software. A second position is that of operations facilitator in the Department of Revenue Administration. He said the facilitator will assist revenue managers and the chief of the division in providing support for complex processes, many of which are delegated to various revenue administration staff members who are already providing day-to-day functions. He added that they compared the leanness of Albemarle with some other localities and found that the localities polled all have revenue administration groups that exceed 24 people whereas Albemarle's only has 19. A third position he reviewed is for a senior accountant to work in the payroll division, which currently consists of five staff, only one of which he said possesses the high-level technical skills necessary to perform certain functions. He said the lack of staff makes it difficult to operate effectively when someone is out sick and there is a need to build the bench strength of the department.

Ms. Palmer asked about the type of training departmental staff receive. Mr. Letteri replied that they are trying to increase the training budget and it is a challenge to find time for staff to attend training.

Mr. Gallaway asked for the total line budget for training. Ms. Lisa Breeden, Chief of Financial Management, Department of Finance, replied to the inquiries about training. She said they have four positions, which will increase to five if the new position is approved by the Board. She said the seasoned payroll staff oversees compensation for 4,000 employees each month, and it is difficult to allow time for training. Ms. Breeden stated that the chief accountant was provided with the most training and attempts to conduct in-house training. She said the new staff member would be a higher-level accountant who would be skilled in certain areas and able to provide backup support and help with audit functions and analysis.

Ms. Laura Vinzant, Senior Budget Analyst, responded to Mr. Gallaway's question about the training budget, stating that the increase will bring the total training budget for the Department of Finance to \$91,000.

Mr. Randolph commented that given the number of unfunded resource plan requests for additional staff, he urged them to have a future discussion on ways to increase efficiencies. As an example, he said that perhaps taxpayers could pay their bills without having to mail a check and could send payments by direct deposit. He recognized that there are a lot of demands made on the department and he would like the Board to help by finding ways to improve efficiencies so employees are not as heavily stressed, especially during certain seasons of the year.

Mr. Letteri thanked Mr. Randolph for his comments and explained that one of the new staff positions would have the responsibility of looking to leverage existing software and do more with it. He said the "P Card Program" is an example of something they had done in the past that enabled software and systems to eliminate the handling and processing of information.

Mr. Letteri continued with the Office of Management and Budget, Page 106. He said the office is responsible for budgeting, long-range planning, performance management, and grants management. He stated that they continue to receive awards for the budget book and they are proud of the work they do. He said the overall budget is \$623,000, an increase of \$112,000 or 21.9%. He referred Supervisors to Page 107, which contains major components of the increase that are primarily driven by the need for an additional performance management and budget analyst position – resulting from a need to do more analytical work and to be able to make judgements about various things. He added that the position would develop and sustain a countywide performance management system as well as strategic plan-related transformation initiatives, which will likely save the County money and improve effectiveness. He said the County's fiscal landscape is becoming increasingly complex and requires a greater degree of fiscal and policy analysis and management to maintain strong financial management processes and an AAA rating.

Mr. Randolph said it would be important to see how transformative and impactful this additional person could be within the first two years and if they did see these benefits, it would increase the Board's support for an additional person. He said this is a great forward step, and he expressed approval of the idea to hire just one person then analyze their effectiveness before hiring additional staff.

Mr. Letteri reviewed the budget for the Office of Information Technology, Page 108. He described the office as a large and complex one that handles a multitude of systems, programs, servers, and critical things necessary to continue the operations of the County. He said they look for creative ways to use software, systems, and technology to create efficiencies and improve the ways the County does business. He said the technology assessment is taking a broad look at how well the County uses technology and whether there are opportunities to do more. He said the total proposed budget is \$3.4 million, an increase of \$95,000 or 2.9% over last year, with an increase in operating expenses of \$264,000, much of which is for the cost to maintain the software and hardware of the system. Mr. Letteri noted that they will spend \$16,000 to increase the speed of the system and make sure they have enough redundancy to ensure operations when systems go down. He said they have a resource plan budgeted at \$24,000 to expand GIS licenses, which they hope will enable other departments to utilize the GIS software. He said there is \$86,000 for an unfunded help desk analyst position and to increase the work of an office assistant from part-time to full-time. He said the department is lean, but is trying to get a lot of work done and has been using technical people to perform help desk and administrative duties.

Mr. Dill commented that it is odd they would be reducing half a position in the department instead of adding a position. Mr. Letteri replied that the position would move from Information Technology to Human Resources, so they will not be reducing a position. He said the position focuses on training and staff feels it is a better fit to have this position in HR.

Ms. Palmer emphasized that the Director of Information Technology devotes a lot of time to work with the broadband authority, which likely is another stress on the department.

Mr. Gallaway asked if hardware maintenance involves device parts, such as laptops and computers, and what the normal timelines for replacement are. Mr. Letteri replied that to his understanding, most of it has to do with the various in-house servers that host the software.

Mr. Michael Culp, Director of Information Technology, responded that the hardware maintenance that has been moved to operating is offset by what they use to have in the CIP and does not represent an overall increase.

Ms. Mallek described the current operating environment for the department as “whack a mole,” as things proceed in an unpredictable way, and she expressed appreciation for the work that staff does.

Mr. Randolph stated that he would like the Board to be aware that Mr. Culp is wearing two hats in facilitating the Albemarle Broadband Authority while also running the IT department. He said they need to really think about how fair and reasonable it is to expect this, especially since the public’s expectations of broadband service continues to grow exponentially as new programs are announced.

Ms. Palmer agreed with Mr. Randolph’s comments and asked Mr. Culp to provide feedback to the Board regarding his workload.

Mr. Dill commented that the department budget does not address broadband as a critical infrastructure for the educational system and for economic growth.

Ms. Mallek responded that they are intentionally taking baby steps to learn the most effective ways to solve problems, as the cost estimate from a study concluded they would need \$40 million to implement broadband.

Mr. Letteri reviewed the budget for Department of Voter Registration, which he said provides information to the public regarding elections, as well as administering elections and voting. He said the recommended budget is for \$670,000, an increase of \$41,000, or 6.75% over last year. He said the increase is due to a \$5,000 expenditure for part-time wages and \$9,000 for election officials in anticipation of high voter turnout in next November’s election. He said they have included a \$14,000 contingency for the possible addition of voting precincts.

- **Judicial Area**

Mr. Letteri reviewed the Judicial function of government, which has a proposed budget of \$5.3 million, representing a \$356,000 or 7.3% increase from last year. He said this function includes the offices of the sheriff, commonwealth’s attorney, courts, circuit court clerk, public defender and other contributions the County makes. He reviewed the functions of the Clerk of the Circuit Court and recognized Mr. Jon Zug for having digitized operations, which has reduced paperwork and the need for storage space.

Ms. Palmer asked what the court imaging system is. Mr. Jon Zug, Clerk of the Circuit Court, replied to Ms. Palmer’s question. He said the case imaging system works with paper documents, though he wants to eventually transition to electronic imaging as this would save time and money. He said they use the Supreme Court Case Imaging System and personnel have scanners on their desks, stating that they use the services of Logan Systems for the deeds system and customers love it. He explained that electronic images are stored in three separate locations as a disaster backup, and the original paper document is destroyed once it has been converted.

Mr. Letteri pointed out that Mr. Zug’s overall budget is \$941,000, a 0.7% increase over last year. He said they anticipate additional revenues from the state compensation board which will decrease the net cost to the County. He next reviewed the budget for the Office of the Commonwealth’s Attorney, Page

117. He reminded the Board that the Commonwealth's Attorney is a constitutional officer elected for a four-year term who provides services for the juvenile and domestic relations, general district, and circuit courts. He said the recommended budget is for \$1.4 million, an increase of \$151,000, or 12.2%.

Ms. Palmer remarked that she recently learned that this office coordinates court schedules and asked if they share this responsibility with judges.

Mr. Letteri did not have the answer to Ms. Palmer's question. He reminded the Board that they added an assistant position in FY18, which was part of the ongoing cost of operations. He said the budget does not include a requested part-time assistant Commonwealth's Attorney position, which they hope to include in the FY20 budget.

Ms. Palmer asked what made them decide to wait until next year to request this position. Mr. Letteri replied that they want to determine if the addition of this position could help mitigate or alleviate some of the workload. He added that they looked at the totality of positions and had to make difficult choices.

Mr. Gallaway commented that it would be helpful for Mr. Letteri to share reasons why some positions were unfunded.

Mr. Letteri said he would add this question to the list for future discussion.

Mr. Letteri reviewed the budget for the Sheriff's Office, which he said had requested the addition of several positions, many of which the County was not able to fund in the current year. He said a representative of the department would present needs to the Board at their March 7 meeting.

Mr. Gallaway remarked that they have a new County Executive and are going through a new process of understanding the philosophy behind why certain positions are put forward or not put forward, and learning about this process would be helpful to his understanding.

Ms. Palmer agreed with Mr. Gallaway's comments. She asked if officers in the Sheriff's Department have different firearms training than police officers.

Ms. Chan Bryant, Chief Deputy of the Albemarle County Sheriff's Office, replied that they follow the same training as the Police Department as regulated by Department of Criminal Justice Services (DCJS).

Ms. Palmer asked if the Sheriff's Office requested funding for additional equipment and training when the Police Department had done the same. Ms. Bryant confirmed this, adding that last year they requested more ammunition and for four additional firearms training days. She said a request for rifles was budgeted over three years.

Mr. Letteri next reviewed contributions to courts on Page 121. He said total contributions were \$276,000, an increase of \$2,200. He next referred to Page 123, contributions to the Office of the Public Defender, for which he said they had proposed a 2.7% salary increase for staff.

Mr. Dill asked if they are required to have a public defender and to make contributions. Mr. Letteri replied that they are not required to support the public defender. He added that the office approached the Board three years ago and requested a supplement to make salaries on par with other salaries in the community. He introduced Mr. Walker to present on the public safety portion of the budget.

Ms. Palmer explained that the Office of the Public Defender obtained its charter from the State and not every community has one. She said the original request made 15-20 years ago was for a joint City/County public defender.

- **Public Safety Area**

Mr. Doug Walker, Deputy County Executive, addressed the Board. He presented a pie chart of the proposed \$44.5 million budget for Public Safety expenditures, including Fire/Rescue, Police, Inspections, Regional Jail, Emergency Communications Center, and other Public Safety agencies. He summarized the responsibilities of these various organizations, noting that the proposed budget represents an increase of \$2.3 million, or 5.5% over last year.

Mr. Walker noted that the County Executive's recommended budget includes funding for two new patrol officers in the Police Department, which will continue a phased approach towards the implementation of squad-based policing. He added that this would allow the department to maintain a ratio of 1.3 officers per 1,000 population.

Ms. Palmer asked if the Sheriff's Department also uses a metric to determine the number of deputies per 1,000 population. Mr. Walker replied that he is not aware of a formula. He added that the population-based formula is not as essential now that they have moved to a geo-policing model. He said Mr. Lantz had indicated he would need seven additional patrol officers to implement squad-based policing.

Mr. Ron Lantz, Chief of the Albemarle County Police Department, responded to Ms. Palmer's question about the calculation used to determine the number of squad-based officers versus the metric

used per 1,000 of population. He explained that under a squad-based system, officers would be assigned to a squad and would work under the same supervisor. He explained that once he has enough officers to implement the squad-based system, he could expand the number of sectors from 8 to 10 and be able to add two more officers per shift, which would enable them to better keep up with population growth by reducing the size of patrol areas and the length of response times.

Ms. Palmer requested that the Sheriff's Office provide the Board with information on the metrics they used to determine staffing needs prior to its upcoming presentation to the Board.

Mr. Randolph commented that it would be helpful for the Police Department to furnish the Board with information on different metrics such as per population, per square mile, and per crimes committed. He further asked for a comparison of the County's department to departments in five comparable localities to help inform the Board in its decision making.

Mr. Gallaway asked if the additional school resource officer would be assigned to a particular school or if it would add staffing flexibility. Mr. Lantz replied that there are officers in all the high schools and the new officer would be assigned to a middle school. He explained that middle schools are covered by floating officers and the additional officer would be assigned to a particular school.

Mr. Gallaway asked for the name of the school. Mr. Lantz explained that this has not yet been determined and that he would conduct an evaluation.

Mr. Gallaway asked what the functions of a logistics officer are. Mr. Lantz explained that the logistics officer would be responsible for upkeep and maintenance of patrol, cars, motorcycles, trailers, and radios, and the officer would ensure that inspections are conducted on vehicles. He said he would assign one logistics officer to the Blue Ridge District and one to the Jefferson District.

Mr. Gallaway asked Mr. Lantz to elaborate on his request for a new lieutenant position. Mr. Lantz explained that he currently has two captains and one lieutenant, with the lieutenant floating between the two districts. He said the addition of a new lieutenant would enable him to permanently assign the lieutenants to the districts.

Mr. Gallaway requested that Mr. Lantz provide the Board with a way to analyze the demands for policing in the urban versus rural areas.

Ms. Mallek invited Mr. Lantz to talk about the sizes of the districts, which she said could help answer this question.

Mr. Lantz explained that the Blue Ridge District represents the rural area of the County, while the Jefferson District represents the urban area along Route 29. He explained that the addition of officers would reduce response times, as the large size of patrol areas means that officers have to drive long distances to respond to calls.

Mr. Walker added that another challenge is getting a second officer to arrive promptly to assist with difficult situations.

Mr. Walker noted that an increase associated with implementation of the revised Police Department career development program is fully funded in the budget. He said they would increase the number of days of firearms training from two days to three days, which they believe to be important for officer safety. He said on February 26, there will be a discussion on a set-aside reserve for rotating classification reviews of County departments. He said this year's review would be of the Department of Public Safety, which requires more resources to review due to its large size – approximately \$1 million additional in the recommended budget. He reminded the Board there is an ongoing evaluation and consideration of a separate pay plan.

Ms. McKeel acknowledged that Human Resources would discuss a proposal for the implementation of a separate pay scale for public safety officers later on in the process and not at their upcoming Monday meeting.

Mr. Walker agreed as the evaluation has not yet been completed. He emphasized that he wants the Board to be aware there is funding set aside for a classification review.

Ms. Palmer asked if the Sheriff's Department would be included in the separate pay scale. Mr. Walker replied that his understanding is the Sheriff's Office has been part of this conversation.

Mr. Walker next reviewed the proposed budget for Fire/Rescue. He said the most significant item is a proposal to add 5.5 new positions to the Scottsville Volunteer Rescue Squad to ensure 24/7 coverage. He said they have been struggling to sustain their ability to respond to calls quickly and there is an overarching concern about the health and welfare of residents of the area, as responses often must come from other areas of the County. He explained that the half-time position would be for administrative support, leadership, and organizational development, with the intention that this be a temporary position until they are able to recruit more volunteers.

Ms. Palmer recounted how a resident of Howardsville was recently struck by a car while crossing the street and it took a long time for EMS to arrive. She said the woman broke her back and was lying on the side of the road for quite some time.



Mr. Randolph asked how much the staff additions would cost. Mr. Bowman replied that the total is \$419,975 and apologized for not including this figure in the presentation. He noted that a portion of this cost would be one time for the purchase of gear and equipment.

Mr. Dill asked if they had determined an appropriate level of coverage for the Scottsville area population. Mr. Walker responded that they did have response standards, but in some cases they had not been able to respond at all and have had to rely on responses from other components of the system. He invited Mr. Dan Eggleston to provide more information.

Albemarle County Fire and Rescue Chief, Dan Eggleston, responded that the Comprehensive Plan identified a goal for a response time of 13 minutes, which he said they are able to meet when the station is staffed with career or volunteer staff. He said the next closest unit is Monticello, which averages a response time of 26 minutes when responding to calls in the Scottsville area. He emphasized the large size of the coverage area, which reaches down to Buckingham. Mr. Eggleston also stated that ACFR has been looking for two years at ways to help Scottsville rebuild its department, and they expect the recruitment of additional volunteers to be a long process.

Ms. Mallek asked Mr. Eggleston if he has enough resources for training in the event they are able to recruit volunteers. Mr. Eggleston responded affirmatively, noting that the two academies are full and they are looking to add a third. He said they train 70-80 new volunteers each year but as many are University of Virginia students, they experience high turnover. He said they never want to turn any volunteer away from training and want to always have a spot available, which they have been able to manage to this point.

Mr. Gallaway noted that the change in the adopted, projected, and recommended budget for the Earlysville Volunteer Fire Department was significant and asked Mr. Walker if this was a result of the Board's decision last year to change the allocation process.

Mr. Walker confirmed this and said the Board had revised the funding formula the previous year, and the budget called for a \$252,000 increase for volunteer departments in the coming year.

Mr. Bowman recounted that the Board had approved an appropriation in December to provide funding for fleet expenses that had been incurred in the past, prior to fleet consolidation, and that every station would have a greater number in FY19 projected than in FY18 adopted. He said that for the FY19 budget, the largest factor was the updated volunteer policy, which covers costs not covered before.

Mr. Gallaway asked if this impacts the Earlysville company more than others. Mr. Bowman agreed.

Mr. Gallaway remarked that FY18 projected was higher than FY18 adopted, with a budget recommendation that was lower than the projected. He asked Mr. Bowman if he is comfortable with this gap.

Mr. Bowman replied affirmatively, emphasizing that FY18 had a one-time expense for fleet costs that would not be continued in the future. He said that a more even comparison would be the FY18 adopted budget versus the FY19 recommended.

Ms. Mallek remarked that due to a modification in the kinds of expenses included in the budget, other companies would reflect the same kinds of outlier expenses.

Mr. Walker said there would be additional capital expense work to consider in the next few months, which would impact costs outside of the operating budget. He invited Mr. Eggleston to elaborate on this.

Mr. Eggleston said last year they consolidated all maintenance costs under one line item as one-time expenses for vehicles, and they will propose a capital maintenance policy this summer that will be a significant decision for the Board to make.

Mr. Randolph asked Mr. Eggleston to discuss the City fire contract and whether the long-term intent is to have the County fire department handle all of these calls and no longer rely on the City. Mr. Eggleston replied that he and the City Fire Chief share the same strategy, which is to move to cost-neutral, mutual automatic aid, wherein the closest unit responds. He said he views the contract as a temporary fix until they get to a point where they can equally share services.

Mr. Walker reminded the Board that the contract signed five years ago was for \$1 million and is now less than that because they cannot get all the way there, though this still remains the goal.

Ms. Palmer asked if the Board's policy discussions about the County's role in capital funding of building-related costs to volunteer fire companies are still active, and she asked when they would continue this conversation. Mr. Eggleston replied that this is a huge undertaking, with ongoing capital maintenance, and they have been working with the FEMS Board, the Office of Management and Budget, and Facilities Development to develop a policy they can present to the Board in June.

Ms. Palmer asked if all the firehouses are handicapped accessible. Mr. Eggleston responded that they are not.

Ms. McKeel asked what it would take to achieve their goal of having a mutual automatic aid policy with Charlottesville. Mr. Eggleston replied that the missing piece is an engine at Pantops, as this could provide protection to the east side of Charlottesville.

Mr. Walker addressed building inspections and noted that the Board increased staffing during this fiscal year and these costs are reflected in FY19. He concluded his presentation on public safety and invited questions on this topic.

Ms. Palmer asked what the source of funding for the new drug court would be. Mr. Walker said he had an initial conversation with his City counterpart, Mike Murphy, and needs to have additional conversations with Offender Aid and Restoration (OAR) to determine how to best position local governing bodies to consider this opportunity. He said this is not reflected in this year's budget and would have to be addressed going forward.

Ms. Mallek remarked that a judge would have to make a decision about whether to allow it.

Mr. Walker realized that he misunderstood Ms. Palmer's inquiry to be about the therapeutic court, not the drug court, stating there is work to be done but it could be a very beautiful opportunity.

Ms. Mallek recounted a recent conversation she had with a building inspector in which she asked how things were going – and he replied that things were booming, with 60 calls for inspections just that day. She said he informed her that projects are all over the place – urban and rural, renovations and new houses. Ms. Mallek expressed hope that they could plan ahead and not overwork inspectors to the point where they decide to retire early.

Mr. Randolph asked if the 10-year SPCA contract is up in 2019. Mr. Walker responded that staff is reviewing this, working on relationships with SPCA, and has initiated a review of the contract with the Police Department and County Attorney's Office.

Ms. Mallek remarked that she hopes they can work with the County Attorney's Office to have better contract control the next time.

- **Public Works Area**

Mr. Letteri resumed his presentation and reviewed the budget for the Department of Public Works, beginning on Page 139. He explained that this includes Facilities and Environmental Services (FES) and the County's contributions to the Rivanna Solid Waste Authority (RSWA). He reminded Supervisors that in 2016, they combined the capital group with the General Services division to create a more expansive, public works-type operation. He said the aim was to create efficiencies and set the stage for the creation of a more urban-type public works department to deal with additional service requirements in the urban areas. Mr. Letteri stated that FES includes four divisions: Administration, Public Works, Project Management, and Environmental Services. He summarized their functions of maintaining and improving physical assets, ensuring environmental compliance of operations, overseeing the capital program, protecting water and natural resources, and project management expertise to assist all County departments. He said the overall budget for this category is \$5.3 million, a 14% increase over last year. He stressed the continuing urbanization of the County – as well as the Board's priorities and strategies – as the drivers of the growth of this section of the budget. He stated that it includes continuation of funding for the FY17 strategic planning project manager to carry out the Board's priorities; a \$147,000 increase to support regular building and operations costs associated with Yancey School, including the hiring of a part-time attendant; a \$108,000 increase to enhance mowing and landscaping at variance medians; a \$100,000 increase in operating costs to support a climate action plan; a \$70,000 increase in contracted services for street sweeping; and a \$34,000 increase in contracted services for weekend litter control provided by the jail. A second new position included in the proposed budget is for an energy program coordinator, according to Mr. Letteri. He explained that this person would advance the climate action plan and assist with programs generated by the \$100,000 budget allocation for LCAP implementation, which includes LEAP residential, commercial, and renewable energy programs.

Ms. Palmer referred to solid waste and recycling on Page 144. She asked about the line title, "Provides for Monitoring of Illegal Dumping Activities," and expressed surprise that money had been set aside for illegal dumping other than in the Zoning Department.

Mr. Letteri asked Mr. Henry if he is able to respond. Mr. Henry was not able to answer the question and offered to come back with a response.

Mr. Letteri emphasized that the internal service fund established several years ago to implement the capital plan came from the capital program. He said when a total project cost is identified they include the project management component, which flows back to the internal services fund. He said this model allows them to flex the size of this operation according to the volume of work that lay ahead in the capital program – and this has been working quite well. He explained that Mr. Henry tracks the hourly costs of those working in project management to ensure the County is staying in line with the market for such positions.

Ms. Mallek praised the success of programs since the implementation of this process.

Mr. Letteri commented that the amount of projects they have been able to oversee with existing staff is extraordinary.

Mr. Letteri reviewed the County's contribution to the Rivanna Solid Waste Authority. He presented a slide which indicated projected operating costs of \$83,833 in FY19 and \$258,000 in FY20, with capital costs of \$350,000 in FY19. He noted that this will include a new recycling convenience center next to the Ivy facility which will open in Spring 2019.

Ms. Mallek asked when the Board can expect an update on the climate action plan. Mr. Trevor Henry, Director of Facilities and Environmental Services, addressed Ms. Mallek's question and said the work has been internally focused around LCAT, though he hopes to present to the executive office in March and then present a general work plan to the Board.

Ms. Allshouse thanked the Board for their great questions and energy and summarized what she has heard from them as items for follow up: a future discussion on the transient occupancy tax, ways the Board can help the Department of Finance find efficiencies, assess effectiveness of the new OMB analyst position after the first two years, advancement of broadband, metrics used by the Sheriff's Department to determine staffing needs, whether the Office of the Commonwealth's Attorney is the only office that coordinates court schedules, decision making process for determining new staffing requests, Police Department metrics based on various factors, comparison of Police Department staffing with similar jurisdictions, storage of volunteer fire department equipment, and monitoring of illegal dumping.

Ms. Allshouse presented a schedule of key dates in the budget process:

- February 26: continue functional areas
- March 1: School Division, CIP, debt
- March 5: finalize tax rate for advertisement after Board approves the budget
- April 10: public hearing on board's proposed budget, public hearing on tax rate
- April 17: set tax rate and approve the budget

Mr. Gallaway asked to be provided with more information on additional staffing requests for the Department of Information Technology help desk analyst, police and fire staff, and the maintenance mechanic position in the Department of Public Works.

Ms. Palmer asked for an explanation as to why they are experiencing retention issues with volunteers in the Sheriff's Office. Ms. Mallek said this question could be addressed with an email response.

Ms. Allshouse remarked that her office tries to answer questions as quickly as they can between work sessions.

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

Ms. McKeel reminded the Board that the Hydraulic panel will hold a community meeting at the Holiday Inn that evening at 6:00 p.m., during which the three small area plan options will be presented. She said the Hydraulic panel is at a point where they are making critical decisions in an effort to meet upcoming deadlines in June.

Ms. Mallek said she would attend.

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

There were none.

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Agenda Item No. 5. Closed Meeting. *(if needed)*

*There was no need for a Closed Meeting.*

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Agenda Item No. 6. Adjourn to February 26, 2018, 3:00 p.m., Room 241.

At 5:50 p.m., Ms. Mallek adjourned the Board meeting to February 26, 2018 at 3:00 p.m. in Room 241.

Approved by Board
Date 06/06/2018
Initials CKB

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Chairman