

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 26, 2018, at 3:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from February 22, 2018.

PRESENT: Mr. Norman G. Dill, Mr. Ned Gallaway, Ms. Ann Mallek, Ms. Diantha H. McKeel, 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, Lt. Terry Walls, and invited County staff to introduce themselves.

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

- Brief overview of major changes associated with the following expenditure categories:
  - Health and Welfare (begins on page 149)
  - Parks Rec and Culture (begins on page 167)
  - Community Development (begins on page 177)
  - Non-Departmental (begins on page 187)
  - Other Funds (begins on page 201)

Ms. Lori Allshouse, Director of the Office of Management and Budget, reminded the Board that this is their second budget work session and presented a timeline of the budget process, with this meeting to continue a focus on functional areas, followed by a March 1 presentation by the School Division, and then discussion on the CIP and debt management chapters of the budget. She said the March 5 meeting will be to finalize any outstanding items and for the Board to set the proposed tax rate for advertising, followed by a public hearing on April 10, followed by an April 17 meeting during which the Board will set the tax rate and approve the budget.

- **Health and Welfare**

Ms. Allshouse introduced the Health and Welfare section of the proposed budget, page 149. The proposed budget is \$23.9 million, an increase of \$113,000 or 0.5% over last year. She invited Mr. Letteri to present this section.

Mr. Bill Letteri, Deputy County Executive, presented on what he described as the third largest section of the budget, representing 8% of the County's overall budget. He ascribed the limited increase in this year's budget to positive CSA fund activity as a result of decreased costs for preventive services, as well as the ability to utilize excess fund balance. He listed the components of the budget, including the Department of Social Services, transfer to Bright Stars, transfer to Children's Services Act (CSA) Fund, Health Department, Region Ten, JAUNT, tax relief for elderly and disabled, and other agencies. He recognized Ms. Phyllis Savides, Director of Social Services, who will assist in the presentation, and commented that DSS provides an extensive array of services to the community, including casework delivery and eligibility determination, protective and support services, education, prevention and elderly intervention programs, employment and childcare services, and benefit programs. He reminded the Board that the housing voucher program now falls under Social Services. He said the proposed budget for DSS is \$14.2 million, an increase of \$802,000 or 6% over last year. Mr. Letteri noted they had seen an increase in direct assistance expenditures largely as a result of federal and state reimbursement programs that had increased their allocations, and said they propose the addition of a child welfare supervisor and an eligibility supervisor.

Ms. Palmer noted that the Board had approved the addition of two new positions in August and that there are two additional positions now proposed. Ms. Savides confirmed this and explained that they were able to fund the two new positions last year with additional funds allocated to the social services system 2 by the General Assembly to support child welfare.

Mr. Gallaway said he had learned that most of the 11% under budget figure they had presumed would be lapse factor was actually due to increases in revenues at the state and federal levels, with the actual difference for local costs at 1.5%. He said that \$221,000 of \$259,000 could be considered as lapse factor.

Ms. Savides stated that local savings had to do largely with vacancies and hiring people at the lower end of the pay scale. She said the additional revenue had to do with an increased Medicaid workload, which results in increased passthrough aid of federal dollars from the state. She said over the past two years they brought in more federal aid than they had budgeted for.

Mr. Gallaway asked if there was a mechanism in place that allowed anticipated budget surpluses to be utilized by the department in the current year instead of having this lost by the department. He added that the Board should be mindful of last year's surplus when considering this year's projections.

Mr. Andy Bowman, Senior Budget Analyst, offered to explain the process used by budgeting personnel, stating that they make certain assumptions on vacancies and potential salaries of new hires and that some positions go unfilled for a time.

Ms. Allshouse added that there was a process for departments to ask that monies saved from unpaid salaries due to open positions be returned to use for a specific item. She emphasized that the requests must be for specific items, could be carried over to the next year, and must be approved by the Board of Supervisors.

Mr. Gallaway said it is painful that DSS is unable to use \$250,000. Ms. Allshouse pointed out that DSS attempts to maximize offsetting revenues from the state and federal governments, which vary from year to year, and in some years this results in a surplus.

Mr. Gallaway explained that he would rather see a fund balance go to the budgeted purpose in the year instead of falling into fund balance. He added that he expects there to be some fund balance based on proper budgeting, but that large balances should not be common practice.

Ms. Mallek pointed out that staffing for DSS has been below the levels recommended by the state, which means they are not able to deliver an appropriate level of service if they are not using these dollars. She emphasized that it is not easy to predict the level of funding from CSA from one year to the next.

Ms. Savides said it is important to maintain the CSA fund balance at robust levels since it is a volatile program. She emphasized that they draw down funds for services and for staffing and it could get complicated since service needs could be unpredictable.

Ms. Palmer asked if DSS aims for a certain percentage of fund balance, as the County does.

Mr. Dill commented that \$251,000 could be used to pay three eligibility workers, which had been requested but not included in the budget, and he wonders if there is a way to get one or more of these positions into the budget.

Ms. Savides explained that last summer they had identified eligibility staff, primarily because they had secured additional state funds to support some service staff. She said her most significant concern is for child protective services capacity, and she would like to give priority to hiring staff in this area over the hiring of additional eligibility staff, though they are also needed. She said if she could receive funding to fill two positions, she would hire a child protective services staff member and an eligibility worker for the fraud program.

Mr. Gallaway said the \$250,000 he spoke of was FY17 money that had already been rolled into the fund balance, noting that the current year is tracking about \$100,000. He said they had budgeted the fund balance for new things listed on page 199 when they originally were budgeted for DSS.

Mr. Letteri cautioned that as money falls into fund balance, it does not necessarily mean this is an ongoing source of revenue that could support new positions. He emphasized that they had been working closely with Human Resources to determine normal turnover rates and what they could safely budget for on a regular basis. He indicated that improvements in this process could enable them to leverage these funds as best as they could to where they think this would happen on an ongoing basis.

Ms. McKeel asked Ms. Savides about the SEED Program which she did not see in the budget and asked if it is in the School Division budget. Ms. Savides confirmed this. She added that she had conversations with Dean Tistadt about potential partnerships between DSS and Schools. She said the School Division had opted to hire its own people, so now they are focused on having DSS family support staff collaborate and work with SEED staff in particular schools.

Ms. McKeel asked if this collaborative program is working well. Ms. Savides replied that she had not received up-to-date feedback and offered to inquire and report back. Ms. McKeel replied that she would pose these questions for the schools to respond to. Ms. McKeel added that she has concerns with federal funding support and asked Ms. Savides if she keeps an eye on this.

Ms. Savides commented that the most notable possibility is that some benefit programs, such as housing choice vouchers, SNAP, food stamps, and Medicaid, would have a work requirement. She said that if Virginia does not expand Medicaid, then the work requirement would have very little impact on them, as those who would come under the work requirement are not eligible for benefits in Virginia. She said if Virginia were to expand Medicaid and a work requirement were imposed, then it would have an impact on their workload. She said the House of Delegates' budget includes Medicaid expansion while the Senate's does not.

Mr. Randolph asked Ms. Savides to explain why, if Virginia expands Medicaid and a work requirement were imposed, it would affect their workload. Ms. Savides explained that Medicaid expansion would increase the number of those eligible and these new groups would fall under the work requirement, with DSS responsible for monitoring compliance.

Mr. Randolph invited Ms. Savides to come back to the Board to discuss resource needs in the event the state legislature does expand Medicaid and a work requirement is attached.

Ms. Savides offered to keep the Board abreast of what is going on and said she tracks these issues through the Virginia League of Social Services Executives.

Ms. McKeel emphasized there would be a small window of time to assess this between the end of the legislative session and the beginning of the County's new fiscal year.

Ms. McKeel requested that Ms. Savides provide Supervisors with comments about alternative ways of funding the SEED Program that would bring federal instead of local dollars to the schools. Ms. Savides replied that this would be for the individuals who perform the social work function.

Mr. Randolph asked if someone on staff could furnish the Board with a preliminary ballpark figure of additional funding needs in the event Virginia expands Medicaid. Ms. Savides agreed to have her staff work on this.

Ms. Savides commented on the Bright Stars program and said the County would get 17 additional BPI slots, which will be used to support an additional classroom at Woodbrook, in addition to the slots that The United Way is using in their mixed-delivery program.

Mr. Dill asked what percentage of those who want to participate are able to be served. Ms. Savides replied that her understanding was that last year the Bright Stars wait list consisted of only one or two children. She emphasized that not all the schools offer the program and if it were offered in additional schools, there might be additional families interested. She added that the number of students receiving SNAP and Medicaid has been rising, which would predict that there would be more children than could be served. She said as a result of mixed-delivery, they do not have a wait list.

Mr. Letteri added that the addition of a new classroom at Woodbrook would create the need for three additional positions.

Ms. McKeel asked if they would continue to have to send some children to schools outside of their area in the upcoming year. Ms. Savides said it is her understanding the Head Start classroom would open in the Woodbrook expansion and bring the class back from Broadus Wood, and there would be a new Bright Stars classroom if the Board approved funding.

Mr. Letteri next reviewed CSA, page 159, stating that they are proud of Ms. Savides' work in foster care prevention, which has resulted in quite a bit of savings.

Ms. Savides explained that their efforts are directed towards keeping children in their homes and out of foster care. She emphasized that while overall CSA costs have gone up, the local share has decreased since they are paying for services with a lower match rate. She explained that their efforts to keep children in their public school to avoid sending them to private day schools, which impacts costs, and said the family finder position has been key to their success.

Ms. McKeel commented that a child in foster care could cost hundreds of thousands of dollars. Ms. Savides explained that in recent years, they had some undocumented children come into foster care who were not eligible for Medicaid, resulting in their having to pay their medical costs with CSA funds.

Mr. Letteri referred to page 160, which summarized the agency partners the County supports, and said these partners are critically important to providing services. He said the proposed budget recommended contribution is \$5.9 million, an increase of \$564,000 or 10.6%. He listed the partners as having seen significant increases or decreases in support: Boys & Girls Club, JAUNT, MACAA, United Way Childcare Scholarship Program, and YMCA childcare at Jefferson School. He said the YMCA program is a first-time request that was not funded.

Ms. Palmer said she would like to know more about the \$10,000 increase for Boys & Girls Club youth development after-school programs to support the increase to the Scottsville program due to the addition of Yancey students.

Ms. Gretchen Ellis, Planner with the City of Charlottesville, addressed this question and noted that she manages the ABRT process for the City and County. She explained that the Boys & Girls Club had been funded by the County for both the after-school and expanded hours programs. She explained that a third application was presented this year to cover the cost to absorb Yancey Elementary after-school program participants at both Scottsville and Southwood.

Ms. Palmer remarked that some kids participated in the Little Learners after-school program on Glendower, which was somewhat supported by the County when it was in the Yancey School building. She said kids are now taken to another location by a Scottsville school bus, and the County is charged a little over \$1,000, and she had used this example to show the impact of obtaining or not obtaining ABRT funding.

Ms. McKeel asked for confirmation that the increase for JABA was centered on a memory care contingency that they are funding in the amount of \$50,000. Mr. Bowman confirmed this.

Mr. Doug Walker, Deputy County Executive, said that while the County's financial support for JABA has not changed, there is \$50,000 in one-time money to support the memory care unit. He said the

unit was open and operating and if there is support from the Board, they could discuss the option of supporting it with this year's money rather than with next year's money.

Ms. McKeel commented that the facility is greatly needed and fills a void in the community.

Ms. McKeel expressed concern with transit, noting that they had established a regional transit partnership with Charlottesville, which she believes will allow for more transparency in terms of what the City and County are paying. She said this would be a good partnership and requested that next year they dedicate a page in the budget around transit, including a presentation by Charlottesville Area Transit (CAT).

Mr. Walker acknowledged that they had been discussing this and invited Mr. Bowman to comment.

Mr. Bowman said they periodically review how they report on partnerships and have made adjustments. He agreed it is confusing to have transit covered in two different places, and explained that they are considering a move of transit into the Community Development section of the budget presentation and to break this out into a separate page.

Ms. McKeel requested that they do this for both JAUNT and CAT.

Ms. McKeel expressed her desire to have a breakout provided this year, and they should not wait until next year's budget as there are information gaps as to how costs are budgeted. She asked Mr. Bowman if CAT had been providing information on hours of service.

Mr. Bowman explained that CAT and JAUNT have different governing structures. He said CAT prepared a request that was reviewed by the City Office of Management and Budget, after which it was shared with him in the form of a copy of the budget, bus routes, information on federal operating assistance, and revenue credits for the fare box. He said the information provided by JAUNT was different.

Ms. McKeel noted that the City had budgeted a substantial pay increase for CAT bus drivers that they are not providing for JAUNT drivers, and she expressed concern over competition in pay among drivers.

Ms. Palmer asked Ms. McKeel if this had been discussed in the regional transit meeting. Ms. McKeel replied that they had submitted questions about JAUNT and CAT that they would like to discuss at the upcoming week's meeting.

Mr. Walker drew the Board's attention to the recommendation for funding of JAUNT in the County Executive's budget, which comes in two parts. He said the first part represents support for the operating budget and the second establishes a contingency for driver wages, with an expectation that the regional partnership would discuss this at a regional level.

Ms. McKeel noted that both she and Ms. Mallek, in their positions with the regional transit partnership, believe they should establish competitive pay for the region.

Mr. Brad Sheffield, Executive Director of JAUNT, addressed the Board. He expressed appreciation for the Board having fully funded his request and for the work of Mr. Bowman in trying to understand how the JAUNT budget was put together. He expressed concern that the City's budget did not provide for a pay increase for JAUNT drivers.

Mr. Randolph emphasized that JAUNT should be taken out of the Health and Welfare section of the budget and temporarily placed under Community Development Agency Contributions, until it could become a standalone section. He said they should also establish a standalone section of the budget for the broadband authority.

Ms. McKeel concurred with Mr. Randolph.

Mr. Letteri offered to confer with Department of Finance staff as to how they could structure this.

Mr. Sheffield reminded the Board of the state capital funding cliff that is looming, as it was not addressed during the General Assembly. He suggested that they identify transit capital investments in the CIP through proffers or other mechanisms. He said they should consider a separate identification for the CIP, as this could help with Smart Scale and other aspirations.

Mr. Dill identified the problem of legal issues present in the low-income and Latino communities and suggested they fund the Legal Aid Justice Center and Sin Barreras at their requested amounts. He said these organizations work incredibly hard and are pressed for services for the immigrant community. He said Sin Barreras had requested a \$12,000 increase and Legal Aid Justice Center a \$10,000 increase, and both agencies serve people who are under the radar. He also urged support for Monticello Area Community Action's (MACAA), request as they serve low income people and families and encourage them to learn how to be financially viable. He asked that these three organizations be added to the list for consideration.

Ms. Palmer invited Ms. Ellis to reply to any Board questions.

Ms. Mallek asked Ms. Ellis to comment on the evaluations for the three agencies. Ms. Ellis said that Sin Barreras was one of 10 agencies the ABRT recommended for funding, should it be available. She said the Legal Aid Justice Center did not request funding for any programs related to immigrant or refugee populations, and the applications they submitted were for civil and health law and children's programs. She said that MACAA had applied for two programs: Head Start early childhood education and Project Discovery, which promotes college attendance for low income, first generation students. She said that Head Start was recommended for funding while Project Discovery was rated as fair, both this year and last. She said that ABRT's policy is that projects rated as fair for two consecutive years are recommended for defunding.

Ms. McKeel commented that Albemarle County Schools has an AVID program that works with kids who would be the first generation to attend college. She described the program as strong, with Jack Jouett School winning national and global recognition awards. She said she is not aware if Charlottesville had a program.

Ms. Ellis confirmed that Charlottesville also has an AVID program.

Ms. Mallek noted there was a request for a substantial increase to United Way scholarship program funding and asked if these were need based. Ms. Ellis replied that the scholarship program application was not reviewed by ABRT but by the Office of Management and Budget. She said it is her understanding that they serve families up to 185% of the poverty level, whereas social services scholarships serve those up to 150% of the federal poverty level.

Ms. McKeel described the ABRT process as absolutely wonderful and thanked Ms. Ellis for an outstanding job in working with applicants, which saves the Board time and attention.

Mr. Randolph observed the critical role played by Ms. Ellis' group in reducing the appearance of politicization by the Board in favor of certain non-profits by providing objective and neutral assessments, which is important for the trust and confidence of the public.

Ms. Palmer expressed surprise that tax relief for the elderly and disabled is reviewed by ABRT and not the Board of Supervisors. Ms. Ellis replied that the Board does review this, but the way it is listed makes it appear differently.

Mr. Dill agreed on the valuable role played by ABRT and said the Board should look at organizations that use volunteers and already receive donations, but could benefit from a little bit of help and credibility that comes with County support. He expressed disappointment that the Board's support for nonprofits represents a miniscule portion of the budget and hopes they can make better use of them.

Ms. McKeel pointed out that it is up to the nonprofits to apply for funding.

Mr. Gallaway offered a formatting suggestion regarding how organizations that are recommended for funding are denoted in the budget document.

- **Parks Rec and Culture**

Mr. Letteri invited Mr. Walker to present on Parks and Recreation.

Mr. Walker noted that the proposed budget is for \$8.6 million, an increase of \$444,000 or 5.4%, listed on page 167. He said this represents 3% of the overall budget. He said it includes a recommendation to provide \$116,000 to fund an additional position for completion of the needs assessment, which the Board would likely learn more about at their April 4 meeting.

Mr. Randolph pointed out that funding for the position is not listed on page 89. Mr. Bowman said it would be added once the Board has approved funding.

Mr. Walker said the final needs assessment report for Parks and Recreation would probably be presented in June along with the possibility of a request for a bond referendum to cover some additional operating costs. He emphasized that the transfer of the control of the Biscuit Run and Hedgerow properties would have future operational and capital impacts.

Ms. Palmer asked for an explanation of the role of the facilities maintenance supervisor. Mr. Bob Crickenberger, Director of Parks and Recreation, responded that this position will assist the Parks Superintendent with day-to-day operations and coordination with the Park Foreman.

Ms. Palmer asked for the name of the Parks Superintendent. Mr. Crickenberger replied that it is Matt Smith. He pointed out that while the department has grown the maintenance staff has not, and the day-to-day has become overwhelming for one position.

Ms. Palmer asked Mr. Crickenberger if he receives complaints about how facilities are managed and maintained. Mr. Crickenberger replied that they do not, but staff recognizes the need and best practices call for it.

Ms. McKeel suggested that they discuss these issues once they have the report and are discussing Hedgerow and Biscuit Run.

Mr. Walker remarked that respondents to the recent Parks and Recreation survey rated maintenance as being important, which indicates the County should continue to focus on this area.

Ms. Palmer commented that positive impressions formed by users of parks leads people to also have a positive impression of local government. She asked Mr. Crickenberger for an example of something he would do within the maintenance division if he had the resources.

Mr. Crickenberger listed trails and facilities maintenance. He remarked that facilities are aging, and staff has been keeping up; however, at some point additional resources would be necessary.

Ms. Mallek added that many localities charge organizations to use facilities and Albemarle does not. She suggested that they broach this topic during discussions this spring and summer, as fees could help to provide some resources toward maintenance and improvements. Mr. Crickenberger said they would review an overall revenue recovery program.

Mr. Walker continued his presentation. He said the Jefferson-Madison Regional Library had requested an increase of \$192,000, which included an increase in Albemarle's share of the cost to operate the library system as well as an increase in Albemarle's share of the first year of a three-year implementation of a compression remedy. He added that Northside Library is seeking to expand its weekly hours of operation by two hours, the same number of hours of operation as the other library branches. He said the library system is also seeking to add a digital librarian, contingent on regional partners providing their share of the funding. He said Mr. Bowman had worked with the library to help understand how the library could gain by relinquishing the digital responsibilities of other library staff who have been doing this work.

Ms. McKeel asked if parking problems at the Northside Library had been resolved. Mr. Walker replied that they had leased spaces next door at The Daily Progress, though the problem has not been fixed.

Mr. Walker said the budget includes a \$50,000 contingency for an arts and culture initiative and Charlottesville would also provide funding support. He said that to be released from contingency, the Board would have to determine that the program is worthy of support.

Ms. Palmer asked when they would have a discussion about this. Mr. Walker said he does not have an answer.

Ms. Mallek remarked that it would be the summer, at the earliest.

Mr. Randolph remarked that he is eager to have this in the context of the CACVB.

Mr. Walker stated that there would be a slight decrease in their support for CACVB because of a decrease in transient occupancy tax revenues, which provides its funding.

Mr. Randolph indicated that \$5,000 which had been provided to Piedmont Council for the Arts, which no longer exists, was recommended to be split among the African-American Cultural Arts Festival and the Rivanna Conservation Alliance Flow Festival.

Ms. Mallek asked for additional information regarding funding for Charlottesville Opera's children's programs and for The Paramount. She wonders whether there may be other organizations that could reach every school to enable students to see once in a lifetime shows at The Paramount.

Ms. Palmer asked Ms. Mallek if she is suggesting they discontinue funding to Charlottesville Opera. Ms. Mallek remarked that The Paramount's programs reach more children than the programs offered by Charlottesville Opera. Ms. McKeel said she would like to know how many children are served by the Charlottesville Opera.

Mr. Gallaway asked if there was a review process for items. Mr. Bowman said the City reviews ABRT cultural items through a process, though the County had made a decision to view them separately a few years ago.

Ms. Palmer recalled when some of these items were reviewed, but not the Charlottesville Opera and The Paramount. She asked for a list of items the ABRT has that have been approved by the City or County.

Mr. Bowman pointed out that Charlottesville Opera had recently changed its name to Ashlawn Opera.

- **Community Development**

Mr. Walker presented the proposed budget for Community Development, page 177. He presented a slide that indicated a budget of \$8.2 million, a \$295,000, or 3.7% increase over last year. A pie chart showed this section of the budget was composed of Department of Community Development (68%), Office of Economic Development (5%), Charlottesville Area Transit (15%), and Other Community Development Agencies (12%). He stated that Community Development represents 3% of the General Fund budget and does not include inspections, which fall under Public Safety. He informed the Board that

the County Executive's recommended budget proposed funding for three new positions, with the first being in transportation management to support the strategic plan implementation and expand interest in demands for services related to transportation. He said this person would work directly with Kevin McDermott and it was Mark Graham's idea to focus on providing urban-like services as the County urbanized and moved towards the creation of a division of transportation. He said the position would involve transit, funding relationships with the state, planning, and customer service. He explained that these are high-value interests of the Board and the community related to community initiatives, and he believes it is time to take the next step in the evolution to provide additional support for these functions.

Ms. McKeel expressed hope that they could hire someone who has expertise with transit, which she described as very important for an urbanizing county. Mr. Mark Graham, Director of Community Development, came forward to comment and said he recognizes transit as a critical part of the position.

Mr. Walker remarked on the importance and time involved in providing citizens with good customer service, as well as performing other important functions. He said the work is too much for one person to do effectively.

Ms. Palmer reminded the Board that during the recession they did not have anyone in transportation and it was Supervisors who visited roads, adding that she is happy to see them bringing on professionals. Mr. Walker stressed the importance of having someone who can put them in the best position to qualify for state and federal funds for projects.

Mr. Walker informed the Board that the second proposed position is for a senior planner to support initiatives such as Southwood and the Avon Corridor Study projects, noting they struggle to have capacity to perform this work and to keep pace with development activities.

Mr. Randolph said he would not like a new person to come into the Southwood redevelopment project if it could be avoided, as Ms. Yaniglos has become well-versed in this unique project. He pointed out that the Avon Corridor study is being performed primarily by a consultant, and he reminded the Board that they had discussed the value of using Avon as a default model to replicate elsewhere but the Board had not made a commitment to this. He emphasized that the timeline for Southwood could run through the year 2035, and he does not see the County making a long-term commitment but would instead have Habitat for Humanity utilize County staff to gain the knowledge of how to do this. He said it is not the County's role to carry on this project in perpetuity but to pull back at some point and allow Habitat to assume more responsibility. He recognized the importance of this affordable housing project, but wants to make it clear they are not making an open-ended financial commitment.

Ms. Mallek asked Mr. Graham to comment on this. She said these are examples of the kinds of things that need to be carried forward, and Ms. Meghan Yaniglos should retain her responsibilities for Southwood. Mr. Graham replied that they do not intend to move her out of this position, but recognize that she has been pulled out of the development application and review process, and they are looking to backfill this capacity to maintain a level of normalcy. He stressed that they have a pressing, ongoing need for assistance with the Avon Corridor study as well as upcoming Places 29 and Crozet Master Plan reviews.

Mr. Walker explained that Community Development has taken the biggest hit during the recession and is getting its way back in the midst of a dynamic building environment. He recognized that development review would take precedence over valuable planning work that is not as urgent. He explained that Mr. Graham is aware of the cyclical nature of development and used attrition to adjust staffing, and he is able to right-size in short order if there is a change in workload or priorities.

Ms. Mallek acknowledged the success of cross-training conducted a few years ago that enabled them to shift people to where they are needed.

Ms. McKeel remarked that they have to be cognizant of the elevation of some departments over others, and the Assessor's office suffered during this period of time and had spent years trying to recover.

Mr. Randolph commented that DSS is still understaffed.

Mr. Walker reviewed the third of the positions recommended: neighborhood planner. He said this position would complement the work of the planner hired last year to focus on the seven CACs, with the intention that Community Development would support the CACs with the community engagement specialist, providing support for community engagement of all departments and throughout the entire community, and would not have direct responsibility to a planning function. He invited Mr. Graham to comment.

Mr. Graham said the original intent was to have neighborhood planners for each master-planned area. He said Ms. Rebecca Ragsdale had piloted this idea with her work in Crozet, but then the recession hit and got them off track -- and this is an attempt to get on track with a long-range plan to have CACs supported by a neighborhood planner.

Ms. Mallek added that a neighborhood planner would be familiar with ongoing projects, benefiting both the planner and citizens.

Mr. Walker said they propose to convert a temporary part-time position to permanent and full-time within the Department of Economic Development, to bring the office to a staffing level of three full-time employees.

Ms. McKeel said she had been advocating for an analyst position within economic development so the Board could consider return on investment in a more in depth and broader way than they have been able to. She applauded the addition of a new full-time employee.

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**Recess. At 4:52 p.m., the Board recessed, and then reconvened at 5:03 p.m.**

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- **Non-Department**

Ms. Allshouse continued the presentation with a focus on the category of Non-Departmental. She explained how this category includes transfers, reserves, contingencies, and set asides that were not specific to a particular department. She presented a slide indicating a proposed budget of \$179.2 million, an increase of \$8.2 million or 4.8% over last year. Ms. Allshouse said the largest component of this budget consists of School Division transfers, with additional components consisting of revenue sharing with Charlottesville, capital and debt transfer, one-time transfer to capital, transfer to water resources, and other uses of funds. She presented a chart that indicated the amounts transferred to Charlottesville each year from FY11 – FY19, which she said was based on a formula. She said the budget document has a chart on page 189 that goes back to FY82.

Mr. Randolph asked Ms. Allshouse if she had ever created an inflation-adjusted chart, as he feels this would be more revealing as the dips would be smaller if they were inflation-adjusted. Ms. Allshouse replied that she had not, adding that the formula used by Department of Finance has a two-year lag.

Ms. Allshouse presented a slide with the following General Fund transfers:

- Transfer to Capital Improvement Fund and Debt Service: \$26,844,620
- Transfer of dedicated funding to Water Resources Fund: \$1,289,120
- Transfer to Housing Fund: \$600,000
- Transfer to School Fund: \$130,844,371 (increase of \$6,815,416 or 5.5%)

She reminded the Board that the 0.7-cent tax rate increase revenue was represented by the transfer to water resources, which supports capital, debt, and operations.

Ms. Allshouse indicated that the transfer to the school fund included an additional \$213,194 for operational expenses associated with the GO Bond funding of the Woodbrook Elementary School addition. She said the transfer to schools was based on a formula guideline and pointed out that operational costs resulting from the Woodbrook addition were supposed to be funded by a tax rate increase which had not been approved.

Ms. Allshouse reviewed reserves and contingencies, page 195, and presented a slide with specifics:

- Refund Reserve: \$141,000
- Salary and Benefit Reserve: \$1.15 million
- Pay for Performance Reserve: \$290,000
- Early Retirement Fund: \$619,000
- Training Pool: \$65,000
- Reserve for Contingencies: \$600,000
- BOS Strategic Plan Priority Support: \$145,000
- Transformational Initiatives: \$500,000
- Grants Leveraging Fund: \$60,000
- Innovation Fund: \$300,000
- Bond Referendum Contingency: \$50,000

She pointed out that the Reserve for Contingencies was proposed to be twice the usual amount, so they would not have to make a transfer from the General Fund balance as they had in the past when the reserve had become exhausted as a result of mid-year items that had arisen.

Mr. Gallaway pointed out that they would be establishing a housing fund with \$600,000 that would not show the expenditure for Southwood, and he believes this should be identified in some way, perhaps with an asterisk. He said they provided a rationale to make a one-time expenditure based on setting up a fund that has yet to exist, and now they had changed the amount of the fund for its initial existence -- and the \$400,000 was lost from its original rationale. Mr. Walker explained that the timing of decisions confused some of the earlier conversations, which were part of the record.

Mr. Gallaway said though it may be complicated, they should make sure the path is transparent for those who wish to scrutinize it.

Ms. Palmer said she also found it confusing.



Ms. Allshouse explained that it is an issue of timing and she understands what Ms. Palmer is saying.

Mr. Gallaway said he would like to see the intent behind setting up a \$1 million housing fund with the Board choosing to spend \$400,000 on Southwood, and he would like that to not get lost in the budgeting process.

Ms. Palmer remarked that constituents call her with questions on these kinds of things and it would be helpful.

Ms. McKeel emphasized that Southwood is an affordable housing project, and the larger message for the community is that there would be around 700 units of different types of affordable housing.

Mr. Randolph pointed out that when the Board established its strategic priorities, it did not include affordable housing and he had advocated for the inclusion of Southwood as a beta test on affordable housing. He said they had asked staff to dedicate time and effort and to fast track Southwood and thus had made a real time and resource commitment that is confusing since it is over two budget cycles. He agreed with Mr. Gallaway's comments about improving transparency. Mr. Randolph emphasized that they had also made a huge commitment to development of the Rio/Route 29 area and said it is hard to balance their needs with limitations on resources.

Ms. McKeel stated that Southwood would address affordable housing for families, seniors, and the whole gamut of folks in the community.

Mr. Gallaway asked Ms. Allshouse to explain the stabilization fund as it relates to the reserve for contingencies.

Ms. Allshouse reminded the Board it approved the set aside of 1% for a budget stabilization reserve in the case of potential revenue downturns, unexpected emergencies, or to maintain levels of service. She pointed out that the Board was careful to stipulate what the reserve could be used for. She said the \$300,000 was in addition to the \$2.7 million already in the reserve in order to provide a source of funding for items the Board may wish to address during the course of the year. Ms. Allshouse said its use would have more flexibility than the reserve and would be like a layer on top.

Ms. McKeel brought up the example of the earthquake that damaged Greer Elementary several years ago as the type of item this emergency funding could address.

Ms. Allshouse briefly reviewed the list of additional reserve and contingency items.

Ms. Mallek asked if there was information available related to savings as a result of the Innovation Fund, and said this would be helpful to present at an upcoming town hall. Mr. Bowman offered to provide this and gave examples of the turnout project, with participation of volunteers and staff that resulted in a savings of \$20,000; and fuel consolidation, which had saved approximately \$100,000 several years earlier.

Mr. Dill asked what the expectation is to replace the fund as it is used. Ms. Allshouse responded that they watch things based on usage and would recommend a reduction if the fund is not being used. She emphasized that monies in reserves, set asides, and contingencies could be moved around during the course of the year at the Board's discretion.

Ms. Allshouse reminded the Board that some funds are undesignated and presented a list of recommended strategic investment items:

FY18 (\$10.21 million):

- Capital Improvement Plan (\$7.71 million)
- Economic Development Fund (\$2.3 million)
- Broadband Initiatives (\$200,000)

FY19 (\$2.42 million):

- Housing Fund (\$600,000)
- Innovation (\$300,000)
- Contingencies (\$400,000)
- Grant Matching (\$60,000)
- One-Time Expenditures (\$410,000)
- Transformational Initiatives (\$500,000)
- Strategic Priority Reserve (\$150,000)

Ms. Allshouse explained that portions of the fund balance were appropriated by policy, with a leftover amount of undesignated fund balance: 10% unassigned fund balance, school reserve fund, committed, prepaids/inventory, and 1% stabilization reserve. She said the undesignated fund balance resulting from FY17 was \$12.6 million, which they could use in FY18 or FY19.

Ms. Mallek asked for more detail on committed and prepaids. Ms. Lisa Breeden of the Department of Finance responded and explained that these represent purchase orders and bills that have already been paid.

Mr. Gallaway recognized that the fuel contingency had gone away and is now in the stabilization fund. Ms. Allshouse confirmed this.

Mr. Gallaway asked what was done with unused fuel contingency funds. Ms. Allshouse replied that at the end of the fiscal year, the unused funds would drop to the General Fund as part of the audit and then would be picked up for the Board to use in a different way.

Mr. Gallaway explained that his point was that they are paying a certain amount for a stabilization fund, which could be reduced if there were money available -- and that in turn could free up use of those monies for other purposes. Ms. Allshouse said they want to see if there is money in current reserves available to use for strategic initiatives in FY18.

Mr. Randolph emphasized that margins should not be cut so close that they are unable to address unexpected items.

Ms. Allshouse reviewed the items proposed for strategic investment of undesignated funds. She said that, by transferring money to capital improvement funds for FY18, they could avoid a tax increase and provide funding for a public safety robot as well as for a couple of other items.

Ms. McKeel recalled that when she served on the CIP Oversight Committee, the tactical safety robot was on the agenda and asked if they had contacted Charlottesville to see if the City would like to share in the cost. Mr. Letteri offered to bring this question to the attention of Mr. Trevor Henry who could address it on March 1.

Ms. Mallek expressed a preference for Albemarle County to own the robot, though Charlottesville could borrow it.

Ms. Mallek explained that the mobile burn unit was pulled out of FY19 initiatives because the Fire Department would not have certification for a number of months this year if it does not improve its training ability. She said the CIP Committee has urged everyone to get going on this right away.

Ms. Mallek, Ms. Palmer, and Mr. Gallaway asked for more detail as to why funding for economic development had increased so much and how it is spent. Ms. Allshouse offered to furnish more information at the March 5 meeting.

Mr. Randolph expressed support for the transfer of \$7.71 million to the CIP, but pointed out that it is a one-time transfer and they are still down 2.34 cents.

Mr. Dill asked for more information on transformational initiatives in terms of what they are and how they are determined. Mr. Letteri responded that they are scheduled to present on transformational initiatives at a March meeting.

Ms. Mallek pointed out there is a teaser about transformational initiatives on page 195.

Ms. McKeel commented that her understanding was they were items that had a price tag, but would bring the County into a modern, 21<sup>st</sup> century work environment.

Mr. Gallaway asked if the \$307,000 for one-time costs associated with resource plans represents initiatives such as new positions or items, and he assumes this does not represent all costs for one-time items. He asked if it would cover all the costs for resource planning. Ms. Bowman replied that he believes so but will check.

Mr. Gallaway asked if the School Division had the opportunity to present suggestions for items that could be one-time costs, especially around initiatives such as resource plans. Ms. Allshouse replied that they had not, though he would have a chance to speak with school representatives at the next meeting. She emphasized that the schools were very involved in the capital program.

- **Other Funds**

Ms. Allshouse reviewed the budget for Other Funds, of which there are 23 funds, and said that many represent transfers from the General Fund.

Mr. Gallaway requested information on economic development as a whole rather than in pieces. Ms. McKeel agreed that it is a great idea to look at the total picture.

Mr. Bowman explained that after the FY19 recommended budget is finalized, they receive an update from Charlottesville as to what their healthcare costs would be, with an increase that was less than originally thought. He said this \$64,000 savings is spread across four agencies: Charlottesville Area Transit, Jefferson-Madison Regional Library, Juvenile and Domestic Relations Court, and contributions to ABRT. Mr. Bowman stated that they recommend the savings either be added to the reserve for contingencies or considered for any other Board changes to the recommended budget. He said a decision is not expected at this meeting but for consideration at their March 5 meeting.

Ms. Palmer asked how the City's health insurance budget translates to \$64,000 for Albemarle. Mr. Bowman explained that Albemarle pays for a percentage of the cost for CAT and JMRL, and now those services would cost less than expected.

Ms. McKeel asked about savings from the jail. Mr. Walker explained that the jail is on the County's insurance.

Ms. Mallek said she had learned the City would reduce its contribution to CAT, and she asked Mr. Bowman if he had been notified about this, so the County's share would not also go down. Mr. Bowman replied that it is his understanding the change affects a route that is only in the City and should not affect the County's share. He offered to follow up to confirm this.

Ms. Mallek related that at a recent transit meeting, the Director of CAT had explained that there were numerous times when he did not have drivers and buses did not go out. She asked if the County had been notified as to how many times buses were not running on these routes, as this affects the value of CAT's offerings. She expressed concern that there may be an information gap and the County may not be getting all the information it needs.

Ms. McKeel said at the CAT Advisory Committee meeting in December, she had asked John Jones about this and he informed her that some routes into the County did not run for three months due to a lack of drivers. She emphasized the importance of communication among CAT, Charlottesville, and Albemarle.

Ms. Mallek noted that the Thomas Jefferson Soil and Water Conservation District is having a reduction this year and said that as the County does more with its storm water fund and the criteria within that, she hopes they can get the District to conduct this assessment instead of the County hiring people.

Mr. Bowman explained that there is a position at the District that is 100% funded by the County, noting that a more senior staff member left and was replaced by a new employee at a lower salary.

Ms. Mallek requested that the 4-H position be put back on the list, as this is incredibly important for training young people and she hopes they can reconsider.

Ms. Allshouse presented the budget process timeline through April and said that on March 1 the School Division will present, followed by a discussion of the capital budget.

Ms. Palmer asked who will assist with coordination of town halls. Ms. Allshouse replied that Jody Saunders, Emily Kilroy, and the Office of Management and Budget will provide support for the town halls.

Mr. Gallaway recognized this is an incredibly busy time and expressed appreciation to staff for their efforts in providing responses to Supervisors.

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

Ms. McKeel informed the Board that at the joint meeting of the Planning Commission, School Board, and Board of Supervisors she would propose to use excess school property for affordable housing for police officers and teachers.

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Ms. Palmer announced that the Rivanna Solid Waste Authority will hold its board meeting the following day, with approval of a master plan for Ivy and planning for a model convenience center at Ivy on the agenda. She said staff had expanded the scope and she had asked Bill Mawyer to revise this and keep it to what the Board had discussed before, which was the master planning of Ivy and planning for the model recycling center.

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Ms. Mallek commented that it is important they not let the study become explosive and open a lot of other issues and that they get Ivy squared away and operating, then move to the next phase.

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Mr. Kamptner informed the Board that staff plans to request a closed meeting on March 1.

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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 March 1, 2018, 3:00 p.m., Room 241.

At 6:04 p.m., Ms. Mallek adjourned the Board meeting to March 1, 2018, 3:00 p.m., Room 241.

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Chairman

Approved by Board
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Date 06/06/2018
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Initials CKB
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