

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on April 17, 2018, at 6:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from April 11, 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 6:01 p.m., by the Chair, Ms. Mallek.

Ms. Mallek introduced the presiding security officer, Detective Thomas. Board members and County staff introduced themselves.

Mr. Gallaway read the following statement: "Supervisor Palmer reports that she is experiencing a severe allergic reaction to something she was recently exposed to and is unable to attend tonight's meeting in person. She has asked to participate in the meeting remotely by telephone from her home."

Mr. Gallaway **moved** to allow Ms. Palmer to participate in the meeting remotely by telephone because of her current medical condition. Mr. Dill **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Ms. McKeel, Mr. Randolph, Mr. Dill, Mr. Gallaway and Ms. Mallek

NAYS: None.

ABSENT: Ms. Palmer.

Agenda Item No. 2. Consent Agenda.

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

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

NAYS: None.

Item No. 2.1. Cancel May 2, 2018, Regular Day Meeting.

By the above-recorded vote, the Board cancelled the May 2, 2018, regular day meeting.

Agenda Item No. 3. **Public Hearing:** To Receive Comments on Proposed Calendar Year 2018 Tax Rates for Real Property. (*Advertised in the Daily Progress on March 13, 2018.*)

Agenda Item No. 4. Approval of Calendar Year 2018 Tax Rates and Adoption of the FY 19 Operating and Capital Budget.

The Executive Summary forwarded to the Board states that on February 16, 2018, the County Executive presented the Recommended FY 19 Operating and Capital Budget to the Board of Supervisors. On February 20, 2018, the Board held a Public Hearing on the County Executive's Recommended Budget and then had several public Work Sessions and Town Hall meetings. On March 5, 2018, the Board authorized the advertising of a \$0.839/\$100 real estate tax rate for the 2018 Tax Year. On April 10, 2018, the Board held a Public Hearing on the Board of Supervisors' Proposed Budget. During the April 17 meeting, there will be a Public Hearing on the 2018 Tax Year tax rates.

The FY 19 Operating and Capital Budget for the Board's approval on April 17, 2018 totals \$432,240,800 and is based upon the proposed real estate tax rate of \$0.839 per \$100 of assessed value for the 2018 Tax Year. This is an increase of \$3,740,426 over the County Executive's Recommended Budget of \$428,500,374 and reflects changes made during the Board's work sessions and changes to be discussed with the Board on April 17, 2018. The revenue and expenditure changes totaling \$3,740,426 made to the County Executive's Recommended Budget are summarized on the following table:

Revenue Adjustments

Source	Fund	Amount
Local Revenue	General Fund	956,290
Use of Fund Balance	Capital Projects Fund	105,736
Borrowed Proceeds	Capital Projects Fund	2,678,400

Total Revenue Adjustments		3,740,426
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Expenditure Adjustments

Fund Item Amount		
General Fund	City Health Insurance Savings	(63,945)
	Police Records Clerk	52,027
	Emergency Medical Services Instructor	90,822
	Information Technology Office Associate from Part Time to Full Time	26,512
	Sheriff's Deputy	34,000
	Therapeutic Docket	55,000
	Open Transfer Station Early	16,667
	Reserve for Contingencies	180,893
	School Fund School Division Expenses	468,450
	Capital Projects Fund High School Center #1 Land Acquisition Costs	2,880,000
Total Expenditure Adjustments		3,740,426

For discussion on April 17, 2018, the FY 19 Proposed Budget includes \$50,000 in one-time funding for a JABA Memory Care Contingency that was recommended to be provided contingent upon JABA's fundraising efforts. JABA has provided an update to staff that showed they are on track to meet their fundraising goal and the intent of this contingency. In addition to the changes above, staff proposes to appropriate this funding in FY 18 at a subsequent Board meeting and remove it from the FY 19 budget.

The Board may make further adjustments to the Proposed Budget and the Calendar Year 2018 tax rate after the public hearing on April 17, 2018. If adjustments are desired, changes will be made within the attached Resolutions prior to their adoption. The real estate tax rate may not exceed the advertised rate of \$0.839 per \$100 of assessed value.

Adoption of the FY 19 Budget.

Staff recommends that the Board adopt: 1) the attached Resolution to Set Calendar Year 2018 Tax Rates (Attachment A); and 2) the attached FY 19 Budget Resolution approving the FY 19 Operating and Capital Budget as recommended by the County Executive and amended by the Board of Supervisors (Attachment B). If adjustments are desired, changes will be made within the attached Resolutions prior to their adoption.

Ms. Lori Allshouse stated that this meeting will include a public hearing and approval of the FY19 operating and capital budget. She reported that the budget was built on a real estate tax rate of \$0.839 on \$100 of assessed value, and said the effective rate increase or difference between the proposed rate and the lowered tax rate is 2.73 cents or 3.36%.

The Chair opened the public hearing.

Mr. Robert Hogue of the Samuel Miller District addressed the Board and stated that at Ms. Palmer's town hall meeting at the North Garden Fire House, they focused mostly on the rain tax. Mr. Hogue stated that most people at the meeting did not want higher taxes, and with property assessments higher, that was the equivalent of a tax increase, so the tax rate should be lower. He said that most people are living paycheck to paycheck, and many do not have a cash reserve. Mr. Hogue stated that many people feel they are entitled to government money, and some high school-age youth see nothing wrong having children while they are still in school, which is a failure of their parents, the school system, government and elected officials. He said that perhaps there would be fewer school shootings if kids learned how to experience disappointment. Mr. Hogue stated that students should pay their own sports fees and there should be user fees for parks. He said that online classes with rotating in-school instruction would help save money, and the County should stop funding nonprofits with taxpayer dollars. Mr. Hogue stated that some County residents get very little benefit from County taxes, and they should not raise the tax rate.

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

Ms. Mallek asked if there was a motion on item 3 from the Board's agenda. Ms. Allshouse stated that she would like to share some additional information with them first, and said the County's healthcare consultant had updated their claims utilization review and informed the County that expenditures had slightly decreased in the current plan year. She explained that they also anticipate reduced costs to extend into Plan Year 19, due in part to contractual medical discounts provided by Anthem, reductions in medical claims and spending, reduction in plan membership and large claim activity, increased employee participation in the health savings account plan, and reductions in hospital admissions. Ms. Allshouse stated that this is important because it will allow staff to finalize calculations for its impact to the healthcare fund and associated cost reductions, which staff is recommending being placed in contingency for future Board consideration. She noted that this will be discussed further on May 9.

Mr. Randolph asked Ms. Allshouse to explain in more detail what the contingency reserve entails, as there is a perception that the County just keeps the funding tucked away. Ms. Allshouse explained that things can change in a fiscal year and emergencies arise that dictate that the County make changes in its budget. She said in the case of the healthcare fund, the Board may be able to redirect the savings for another purpose.

Ms. Mallek commented that using the healthcare reserve makes her nervous because it has been see-sawing up and down for the last 8-10 years, depending on fluctuations on use in the market, and she is more inclined to leave it there to buffer those variables.

Mr. Gallaway asked if they would be discussing the other items or just have the conversation ahead of other budget votes, although the vote on the tax rate may not necessarily impact those. Ms. Mallek stated that she recognizes there will be a lot of discussion and has no issue with taking all the votes at the end.

Mr. Andy Bowman, Budget Manager, stated that the total proposed FY19 County Budget is \$432.2 million, and he presented pie charts reflecting revenues and expenditures. He said the total recommended budget is comprised of the County Executive's recommended budget and changes approved by the Board at previous work sessions, to be included in the budget. Mr. Bowman stated that there is a revenue update equating to about \$950,000 that is subject to the split with local government and schools, and there are changes in the capital fund related to land acquisition costs for the high school center one, totaling \$3.7 million on the revenue side. He said on the expenditure side, there is a \$3.7-million increase due to changes in positions and in funding to community partners identified in the general fund. Mr. Bowman mentioned that there is also an increase of \$180,000 in contingencies, and an increased allocation of \$468,000 to the school fund for the formula allocation, with increased land costs of \$3.7 million as mentioned.

Mr. Bowman reported that they have included \$50,000 in a contingency for a JABA memory care unit, which had originally been included in the recommended budget to be contingent on JABA's fundraising efforts. He said since that time, JABA has contacted staff to inform them that they are on track to meet fundraising goals, and based on that, staff recommended continuing the program – but would instead recommend approving that funding in FY18, at the Board's May 9 meeting, but as part of doing that would need to remove the \$50,000 from the FY19 budget.

Mr. Gallaway asked if the \$50,000 in the FY19 budget is in the surplus funds. Mr. Bowman confirmed that it is funded by an undesignated reserve.

Mr. Gallaway asked if it is moved from the current, it would come from the same fund. Mr. Bowman said that it would and would just be moved ahead one year sooner, stating that it is really a variance from FY17.

Ms. Mallek asked if they should vote on this item separately or as part of their votes later. Mr. Kamptner stated that they could approach it either way.

Ms. Mallek **moved** to take the \$50,000 designated for JABA Memory Care out of current end-of-year designated funds for FY17, instead of waiting until next year. Ms. McKeel **seconded** the motion.

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

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

Mr. Bowman stated that with that change, the proposed total budget is \$50,000 less.

Ms. McKeel asked for confirmation that the healthcare matter will be discussed now or on May 9. Ms. Allshouse responded that it would be May 9, as staff is still doing some work to finalize changes and would need to move it from a plan year to a budget year, and those numbers are not yet complete. She noted that there is some additional information pertaining to the appropriations resolution that she wants to share with the Board. Ms. Allshouse pointed out that Attachment B covers everything to be decided at this point.

Ms. Mallek asked Supervisors to offer questions, and asked staff to explain the timing of land acquisition for the high school center, as she recalls some residual funding being left over from the 2016 referendum that was to be used for design. Ms. Rosalyn Schmitt of the School Division clarified that they did have some additional funding from facilities planning efforts that was not on a previous referendum,

and the land acquisition and design for the center would be the only costs expended in FY19 – but the majority of that would be timed for after the referendum.

Mr. Gallaway stated that he wants to discuss three items: an update from Ms. Allshouse about ABRT funding that happened to some one-time applicants from the City, which occurred after the Board had completed its discussion on ABRT.

Ms. Allshouse explained that on April 12, there was some follow-up information from the last work session, which included information on the Fire/Rescue position and the FEMA SAFR grant.

Mr. Gallaway said there were many things funded beyond what ABRT had recommended, and he wants to make sure that he understands the assignment to one-time applicants so he could do the proper public advocacy. He stated that George's Healing House was rated as a low priority but a solid program, and they were a first-time applicant, requesting \$25,000. He said ABRT explained that many first-time applicants do not get funded, and he was surprised to see that many of them did get funded from one side, so apparently that is not a hard and fast rule. Mr. Gallaway stated that he wants to understand what that organization does so he can talk about it, as this is an organization he would be advocating for in a future budget cycle. He explained that the House is an environment to assist women recovering from substance abuse, and he toured the facility and learned that there are only 20 or 21 beds for women – with the only other option being jail. Mr. Gallaway stated that this seems to align with other priorities the Board had supported, and he would add this to the list of consideration for any items they still want to discuss in the context of the ABRT process and funding for items on the list. He reminded the Board that there is \$180,000 in undesignated recurring money they had put in reserve based on revenue projections, which was committed ongoing operational funding. He said there are other applications that may supersede George's Healing House, but he would like to open the conversation pursuant to knowledge that these were recommended for both localities.

Ms. Mallek stated that the other item that emerges to her is access to services from Region Ten and the mental health docket, as many people have mental health and substance abuse issues. She proposed that the Board take the list and contemplate it, then come back in a few weeks to discuss it, and she asked for input.

Mr. Gallaway responded that he is comfortable with that, but is not necessarily comfortable putting the \$180,000 into reserves without knowing what that fund is designed to do if the money stays there. He said there are multiple options for committing that money somewhere, and he would feel better from a transparency point to clarify that – along with any specific reasons as to why the reserve exists and how the funds there would be used. Mr. Gallaway commented that he would like to clarify this now so they will have a template in the future if this occurs again.

Mr. Dill stated that he would be open to discussing this, as he feels the ABRT funding is a low-cost way to leverage funds, using these organizations who have dedicated volunteers and are typically frugal with their money. He said that George's Healing House is a key operational funding item, and the IMPACT group has a similar initiative to try to help women with children address substance abuse addictions.

Ms. Mallek pointed out that the new building at Region Ten is opening within a month, and she wants to ensure that these agencies are working together and supporting one another. She stated that \$180,000 is a lot of money, but it could disappear overnight if something happens. Ms. Mallek suggested that they have an update on the types of things reserve funding had been used for over the years, and she recalled that sometime after the budget was finished, the City sent the County a bill for \$150,000 for renovation of the skate park – with the County receiving no notice this was coming. She stated that sometimes things happen very suddenly that demand they use reserve funding, and it would be helpful to have a discussion about it.

Ms. Palmer asked if this is something they can discuss in May. Ms. Mallek replied that the May agenda is absolutely jammed, so this may have to wait until June.

Ms. Allshouse mentioned that the healthcare adjustment would also happen in May, so they will have other expenditure savings at that point to discuss – and a comprehensive discussion could occur, perhaps in June.

Mr. Gallaway emphasized that his intent is not to force the issue, but he wants to make sure they come back to it because there are other ways the \$180,000 could be used, such as schools or capital projects, or other operational items in the budget. He stated that he has been trying to discipline his thinking to consider this operating money each year, not surplus money, and some had been designated already but the remainder would require new budgeting direction. Mr. Gallaway emphasized that if it is going somewhere that was not designated, he wants to ensure that the expenditure process is clear.

Mr. Randolph commented that it is important to remain flexible, for the benefit of both the Board and the County Executive, and they need to be reminded of how many strategic priorities the County has. He stated that it is emotionally moving to visit the nonprofits and see their work, but the ABRT is an established process and they try to follow it faithfully – and if the City decides not to follow it, that is their choice, but that should not influence how the County proceeds. Mr. Randolph said they have an obligation to the voters who put them there to exercise due fiscal discipline and not open up Pandora's Box by starting to look at individual projects, which would dilute the ABRT process. He stated that organizations can work on their applications and come back stronger the second year, and the Board is

not a “Santa Claus” who can leave gifts for everyone. He added that he would like to see them move ahead with the budget as presented and vote on the tax rate without delay.

Mr. Gallaway restated that prior to the revenue update, they were not putting \$180,000 in a new contingency fund for ongoing money. He stated that the budget has contingency and reserve funds built into it that they fund on a regular basis, such as healthcare, and there are others like it for emergencies that build in flexibility so they are not caught off guard. Mr. Gallaway said the \$180,000 is not going into those already established reserves and is a new general reserve, and they should at least have a conversation about how it would be designated. He stated that had they not done the revenue update, it would not be going into any reserve account, so it is new money that would go into a new undesignated account – and he feels they need to be transparent with it.

Ms. Allshouse stated that staff set it in the reserve for contingencies, but would clearly mark it and could put it in a separate account if the Board so chooses. She said that it would be written in the narrative but is not yet its own designation.

Mr. Gallaway clarified that his point is just that they make sure this is the best use of that money when there are departments and operational pieces that have not been fully funded, and his question is whether holding that money in contingency is the best use of funds. He stated that they had agreed early on to park it in contingency, but he wants to address it further.

Ms. Mallek said that is fine as long as there is a thorough conversation to be had, and she misunderstood it to be healthcare savings.

Ms. Allshouse indicated that this is additional revenues that arose from the new process, and the healthcare expenditure savings has not yet been fully calculated, nor did they show in this information.

Ms. McKeel emphasized Mr. Gallaway’s point that the fact this is recurring money makes this \$180,000 different as well.

Mr. Gallaway commented that there are departments, such as Social Services, that are running on unexpended money, and the idea is making sure the funds are used for a specific purpose. He said while he is comfortable in having reserves and contingencies for unexpected items, he is not sure that they should continue adding to that when there are other unmet needs in the County. Mr. Gallaway stated that this may not be the proper time for that discussion, but he would like the Board to consider that.

Ms. McKeel stated that it is worthy of a discussion, but Ms. Allshouse had suggested a timeframe for that discussion of June.

Mr. Gallaway said he is fine with that.

Ms. Palmer agreed.

Mr. Gallaway asked if they need to have a discussion about capital projects pursuant to the memo they had received from the School Board Chair. Ms. Mallek said she had thought they would be hearing from staff on May 9 about the potential funding pools and categories to be considered for the bond referendum.

Mr. Gallaway stated that it sounds like approving the capital money as presented might cut out what the Oversight Committee and the schools are seeking from capital.

Ms. Mallek asked if he is talking about the change from \$35 million to \$82 million, to put everything in the first bucket. Mr. Gallaway responded that he is.

Ms. Mallek stated that she is not prepared to make that decision.

Mr. Randolph commented that it is an entirely different discussion.

Mr. Gallaway said if they vote on it now, it would close it out for this year and roll into the next year.

Ms. Mallek stated that the referendum items are to be decided in May, and after that changes would be made if the Board adopts the categories in the referendum, to make the various planning documents compatible – and she does not see it as closing out anything.

Ms. Palmer commented that Ms. Mallek said the recommendation is not necessarily aligned with the schools and asked her to explain that again, in terms of whether this is a recommendation for the CIP.

Ms. Mallek clarified that the CIP Oversight Committee had wanted the Board to decide amongst the funding pools offered, rather than the committee leaving half the items on the table for cutting – so many more items on the list would come forward for active consideration, which is the basis on which the CIP sent its recommendation to the County Executive. She said that is before the Board now to refine, and that is the basis on which they had discussed the various groups of items for the bond referendum.

Mr. Gallaway asked for confirmation that if they vote on it tonight, they could still add items to the bond referendum. Board members confirmed this.

Mr. Kamptner also confirmed this.

Ms. McKeel and Mr. Randolph confirmed that they are just voting on the budget.

Mr. Gallaway emphasized that he is just ensuring there would be flexibility in the future if they want to add items.

Mr. Richardson clarified that the Board would be voting on the FY19 operating budget and the FY19 capital budget – and when they have a later discussion about items for a fall bond referendum, they would have the high school center one land acquisition and if they decide to put more things on a fall bond referendum, that would be looking forward in a future CIP.

Mr. Gallaway confirmed that they would not be limited to what that may be in terms of prior conversations.

Ms. Mallek agreed, stating that part of the explanation in 2016 was to fund the items if the voters chose, going up to a 1.4-cent or 1.3-cent tax increase.

Mr. Gallaway said he just wants to be careful before he takes his vote so that he does not get locked out.

Mr. Dill and Ms. Mallek said they also had those hesitations in the past.

Ms. Schmitt clarified that part of the School Board's letter is advocating for the full capital request, but it is also identifying two key projects that relate to the FY19 budget – and if they are to be done on the schedule the School Board requested, both Scottsville and modernization would need funding in FY19 in advance of the referendum.

Mr. Randolph asked her to put a dollar figure on the full amount, because that was not reflected in the letter. Ms. Schmitt responded that the letter referenced the full amount of the high school request, but the content of the letter was for the entire CIP request.

Mr. Randolph commented that there was lack of clarity on the dollar figures, and he is not sure if they are talking about \$35 million or \$82 million.

Ms. Schmitt stated that the \$90 million refers to just the high school project, but the entire CIP request is higher than that.

Mr. Randolph asked if they would be looking at a bond referendum that is higher than \$90 million.

Ms. Schmitt stated that the conversation at this meeting is related to FY19, but the larger conversation on the referendum would come later. She wants to be clear there is a timing impact if aspects of the Scottsville modernization are delayed as part of the referendum.

Ms. McKeel asked for confirmation that what the Board is voting on tonight that includes CIP funding does not include Scottsville. Ms. Schmitt confirmed this, stating that it would delay that project.

Ms. McKeel asked for the total of the project. Ms. Schmitt responded that it is \$12 million total, with design at \$1 million. She said that if the Board were to discuss the CIP at their next meeting, there would be an opportunity to amend the FY19 budget.

Ms. Allshouse stated that the last time they did a bond referendum, they amended the CIP to name the projects.

Ms. McKeel and Mr. Randolph recalled that they did that in June.

Mr. Gallaway stated that he recalled having to go back and amend it.

Ms. McKeel suggested having the discussion all at the same time.

Ms. Mallek agreed that this would help everyone get their thoughts organized.

Ms. McKeel reiterated that it could be amended, adding that this is an important conversation and they need to talk about Scottsville, discussing the bond referendum as well as the CIP.

Ms. Mallek stated that at the CIP level, Scottsville and Red Hill were not prioritized higher than the high school, which is why they came out in the order they did – but that was up to the School Board representatives on the CIP committee to maintain. She added that \$82 million is for the four projects across a year's worth of modernization, which is a lot of pennies on the tax rate.

Ms. McKeel noted that staff has a good sense of what they need to bring back, based on the discussions at this meeting.

Mr. Randolph **moved** to adopt the proposed resolution to set the Calendar Year 2018 tax rate. Ms. McKeel **seconded** the motion.

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

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

**RESOLUTION TO SET
CALENDAR YEAR 2018 TAX RATES**

BE IT RESOLVED that the Board of Supervisors of Albemarle County, Virginia, does hereby set the County Levy for Calendar Year 2018 for general County purposes at:

- (1) Eighty-Three and Nine-Tenths Cents (\$0.839) on every One Hundred Dollars for assessed value of real estate;
- (2) Eighty-Three and Nine-Tenths Cents (\$0.839) on every One Hundred Dollars for assessed value of manufactured homes;
- (3) Eighty-Three and Nine-Tenths Cents (\$0.839) on every One Hundred Dollars for assessed value of public service property;
- (4) Four Dollars and Twenty-Eight Cents (\$4.28) on every One Hundred Dollars for assessed value of personal property;
- (5) Four Dollars and Twenty-Eight Cents (\$4.28) on every One Hundred Dollars for assessed value of business personal property with an original cost of less than Five Hundred Dollars (\$500.00); and
- (6) Four Dollars and Twenty-Eight Cents (\$4.28) on every One Hundred Dollars for assessed value of machinery and tools; and

BE IT FURTHER RESOLVED that the Board of Supervisors orders the Director of Finance of Albemarle County to assess and collect County taxes on all taxable property, including all taxable real estate and all taxable personal property.

Ms. McKeel **moved** to adopt the resolution to adopt the FY19 Budget Resolution as amended. Ms. Mallek **seconded** the motion.

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

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

**FY 2019
BUDGET RESOLUTION, AMENDED**

BE IT RESOLVED by the Board of Supervisors of Albemarle County, Virginia:

- 1) That the budget for the County for the Fiscal Year beginning July 1, 2018 is made up of the County Executive's Recommended Budget document and the amendments made by the Board of Supervisors.
- 2) That the budget for the County for the Fiscal Year beginning July 1, 2018 is summarized as follows:

General Government - General Fund

Administration	\$15,021,616
Judicial	5,366,125
Public Safety	44,696,727
Public Works	6,148,933
Health & Welfare (including PVCC)	23,334,438
Parks, Recreation, and Culture	8,607,490
Community Development	8,152,696
Nondepartmental	179,939,678
Total General Fund	\$291,267,703

<u>Less Transfers to Other Funds</u>	<u>(166,126,681)</u>
Net General Government - General Fund	\$125,141,022

School Division - School Fund

School Fund	\$187,737,031
<u>Less Transfer to Other Funds</u>	<u>(4,586,702)</u>
Net School Division - School Fund	\$183,150,329

School Division - Special Revenue Funds	
School Special Revenue Funds	\$18,987,734
Less Transfer to Other Funds	(400,000)
Net School Division - Special Revenue Funds	\$18,587,734

General Government - Other Funds	
Computer Maintenance and Replacement Fund	\$451,641
Commonwealth's Attorney Commission Fund	60,000
Victim Witness Grant Fund	175,305
Problem Oriented Policing (POP) Grant Fund	139,900
Regional Firearms Training Center – Operations Fund	278,336
Regional Firearms Training Center – Capital Fund	90,000
Fire Rescue Services Fund	244,000
Criminal Justice Grant Fund	731,081
Water Resources Fund	1,500,916
Project Management Fund	1,282,255
Courthouse Maintenance Fund	29,581
Old Crozet School Fund	80,400
Vehicle Replacement Fund	1,168,014
Bright Stars Fund	1,668,984
Children Services Act Fund	11,608,951
Martha Jefferson Health Grant Fund	5,000
Housing Assistance Fund	3,420,000
Darden Towe Park Fund	308,952
Tourism Fund	1,715,199
Economic Development Authority Fund	80,000
Housing Fund	600,000
Total General Government - Other Funds	\$25,638,515
Less Transfer to Other Funds	(3,815,845)
Net General Government - Other Funds	\$ 21,822,670

Capital Projects Funds	
General Government CIP Fund	\$13,039,501
Water Resources CIP Fund	1,574,921
School Projects CIP Fund	45,966,954
Total Capital Projects Funds	\$ 60,581,376
Less Transfer to Other Funds	(1,115,086)
Net Capital Projects Funds	\$ 59,466,290

Debt Service Funds	
General Government Debt Service Fund	\$9,213,164
School Division Debt Service Fund	14,809,591
Total Debt Service Funds	\$24,022,755

TOTAL COUNTY BUDGET **\$432,190,800**

- 3) That the budget for the County for the Fiscal Year beginning July 1, 2018 as described in 1) and 2) above is approved.

Ms. Allshouse stated that the Board's resolution of appropriations would come before them on May 9, and that entails the actual appropriation of money into different categories. She said the healthcare expenditure adjustments would be worked into that resolution of appropriations.

Ms. Allshouse reported that the approach will be a bit different this year, in that staff will present two options for adoption of appropriations. She explained that for schools, there are seven categories of appropriation; for local government, the appropriations are done by department. Ms. Allshouse said that option one would follow that structure, but the second option would have an attachment to the resolution of appropriation with a lot of details on another option they could consider – with a lump sum appropriation to the School Division. She noted that their quarterly reports would still break it down into seven categories for transparency. Ms. Allshouse stated that the Board could also appropriate for local government by functional category – such as judicial, administrative, etc. with expenditures delineated by department in the quarterly reports.

Ms. McKeel asked if staff will present the pros and cons of each option. Ms. Allshouse responded that they would.

Ms. Mallek commented that the categorical approach was done because of the understanding that elected officials are in their positions to specifically assign funding, not to just hand it over in a lump sum.

Mr. Richardson stated that the School Division had shown an interest in option two and had made that clear to staff, so staff is trying to respond to that and guide the Board with recommendations and best practices.

Mr. Randolph cautioned that the rationale for Albemarle County's charter is based on financial management, and at this time in the U.S., it is imperative for the Board to do everything possible to maximize transparency. He stated that option two essentially creates "block grants," and people may not understand the categories that underlie them, which could lead to confusion and frustration.

Ms. Mallek stated that there are a lot of people who study and find great comfort in seeing the line items in the budget, comparing them to previous years, and she applauds them for it.

Ms. McKeel said that she wants to see staff's pros and cons, as she does not feel she has enough information to decide it now.

Mr. Dill stated that he would like to understand the effect on year-to-year comparisons.

Ms. Allshouse responded that staff would include that.

Ms. Mallek added that she would like to see the key performance indicator analysis as well.

Ms. Allshouse indicated that this would also be included.

Ms. Allshouse stated that May 9 will include the resolution of appropriations and a conversation around the healthcare expenditures, as well as a discussion of the November 18 referendum CIP projects. She said staff will be sending out a feedback instrument to the Board between now and May 9, so they can help finalize the conversation. She noted that the School Board will meet on May 24 and ask the Board to take action on school-related bond referendum projects; the Board will approve the CIP and bond referendum on June 6; and on June 13, the Board will request the Circuit Court to order the election.

Agenda Item No. 5. From the Board: Committee Reports and Matters Not Listed on the Agenda.

Mr. Randolph reported that the Thomas Jefferson Planning District Commission had hosted a series of presentations about affordable housing, with Greg Powell of the Urban Land Institute presenting. He stated that he had attended a presentation the previous week at which professionals from the cities of Park City, Utah; Boulder, Colorado; and Pasadena, California were in attendance. He said one of the primary points he gleaned from the presentations was that the housing crisis could not be solved locally and had to be solved regionally – and there needs to be a multiplicity of approaches. Mr. Randolph noted that Boulder had made a huge commitment to affordable housing, which is the path now being followed locally. He stated that there had been a real unanimity in terms of the goals of building trust in communities and using regional partnerships. He stated that he appreciates TJPDC's work and Greg Powell's leadership through ULI.

Ms. Mallek stated that TJPDC and ULI are also partnering with the Rivanna River Basin Conference in September to discuss other approaches from a river planning standpoint.

Mr. Randolph said he will distribute to the Board some material from the New York Department of Environmental Quality and Scenic Hudson, for which he used to work, regarding a stormwater utility fee and lessons learned to avoid problems that had arisen in Albemarle.

Ms. McKeel responded that she had looked at it and found it to be very beneficial.

Ms. Mallek stated that she had met recently with Ms. Lisa Beitz, the new director at Region Ten, and found it to be quite valuable. She encouraged fellow Supervisors to meet with Ms. Beitz and learn about new programs and collaboration among local agencies, as well as how to address access gaps and the new residential center for local citizens. Ms. Mallek said that getting awareness to individuals seems to be the challenge to receiving services, but once they are involved there are many benefits.

Ms. Mallek reported that the Tom Tom Festival made its second venture into the County the previous week, hosting a field trip with 35 people visiting Perrone Robotics to learn about autonomous vehicles – with the company planning to add 50 jobs per year over the next three years. She stated that their software is used in everything from household robots to industrial cranes to automobiles, and the demand is growing. Ms. Mallek said that in order to recruit, the company needs to have people come here to live, and it is important to them to have walkable, linked communities to downtown, and other amenities. She stated that Tom Perrone is also supportive of the Downtown Crozet initiative, and they visited the farm brewery with people from other states to discuss use of autonomous vehicles.

Agenda Item No. 6. From the County Executive: Report on Matters Not Listed on the Agenda.

There were none.

Agenda Item No. 7. Closed Meeting.

At 7:09 p.m., Mr. Gallaway **moved** that the Board go into a closed meeting pursuant to Section 2.2-3711(A) of the Code of Virginia,

- Under Subsection (1), to discuss and consider the appointment of a Director of Finance.
- Under Subsection (3) to discuss and consider:
 1. The acquisition of real property in the Rivanna Magisterial District, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County; and
 2. The disposition of real property in the City of Charlottesville related to court facilities, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County.
- Under Subsection (8), to consult with and be briefed by legal counsel and staff regarding specific legal matters requiring legal advice relating to the negotiation of an agreement for, and the possible relocation of, court facilities.

The motion was **seconded** by Ms. Mallek.

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

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

Agenda Item No. 8. Certify Closed Meeting.

At 7:48 p.m., Mr. Gallaway **moved** that the Board of Supervisors certify by a recorded vote that, to the best of each Supervisor's knowledge, only public business matters lawfully exempted from the open meeting requirement of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting. The motion was **seconded** by Ms. Mallek.

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

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

Ms. McKeel **moved** to adopt the following resolution appointing Mr. Bill Letteri as Director of Finance for the County of Albemarle. The motion was **seconded** by Ms. Mallek. Roll was called and the motion carried by the following recorded vote:

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

**RESOLUTION
APPOINTING THE DIRECTOR OF FINANCE**

BE IT RESOLVED by the Board of Supervisors of the County of Albemarle, Virginia (the "Board") that, upon the recommendation of the County Executive, William M. Letteri ("Letteri") is hereby appointed the Director of Finance for the County of Albemarle, Virginia pursuant to Virginia Code § 15.2-512, and this appointment shall be effective on and after May 1, 2018; and

BE IT FURTHER RESOLVED that Letteri shall serve as Director of Finance at the pleasure of the Board and for an indefinite tenure pursuant to Virginia Code § 15.2-513; and

BE IT FURTHER RESOLVED that Letteri shall serve as the head of the County's Department of Finance and have the powers and duties stated in Virginia Code §§ 15.2-519 through 15.2-525, except to the extent that the Board has designated other persons to perform specific tasks including, but not limited to, assessments of property for taxation and acting as the County's purchasing agent; and

BE IT FURTHER RESOLVED that Letteri shall act under the supervision of the County Executive; and

BE IT FURTHER RESOLVED that the County Executive may designate a job title for Letteri as he determines to be appropriate, provided that Letteri's status, powers, and duties as Director of Finance shall not be affected by any different job title.

Board members congratulated Mr. Letteri.

Mr. Letteri thanked the Board and assured them that he would work diligently to maintain the financial strength of the organization.

Agenda Item No. 9. Adjourn to May 2, 2018, 12:00 p.m., Virginia Department of Forestry, 900 Natural Resources Drive.

Mr. Kamptner said the agenda currently has the Board adjourning to May 2, but the IMPACT meeting will be held on April 24 – and if the Board will be discussing affordable housing or any other

matters, he would recommend adjourning to that date, time, and location.

Mr. Gallaway stated that his understanding was that they would each speak individually for a few minutes.

Ms. Mallek stated they could certainly adjourn to that meeting, but they would not be entering into a debate or conversation about it.

Mr. Dill noted that the Board would be answering questions, so it may be best to adjourn to that meeting.

At 7:54 p.m., with no further business, Ms. Mallek adjourned the Board to May 2, 2018 at 12:00 p.m. at the Virginia Department of Forestry.

Chairman

Approved by Board
Date 09/05/2018
Initials CKB