

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 27, 2018, at 3:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from March 14, 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 budget work session was called to order at 3:07 p.m., by the Chair, Ms. Mallek.

At the request of Ms. Mallek, attendees introduced themselves. She recognized the presiding security officer, Lt. Terry Walls.

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

- Meeting Overview and Upcoming Schedule
- Review Revenue Updates
- Review Capital Budget Updates
  - Review FY 19 Budget Impact Associated with High School Capacity Improvements Project
- Discuss and Review any Remaining Areas and/or Outstanding Issues from Previous Work Sessions
  - Board Member "List" Items
  - Addition of a Second Sheriff Deputy Position
- Summarize Proposed Operating and Capital Budget Adjustments
- Finalize Board's Proposed Budget

Ms. Lori Allshouse, Director of the Office of Management and Budget, presented a future schedule of the budget process and explained that at this meeting, they would discuss an FY19 revenue update as well as items on the Board's list, with a desired outcome that the Board approve the proposed FY19 budget for advertising. She said that on March 29, they will begin a discussion of the Capital Improvement Plan (CIP); a public hearing on the proposed budget will be held April 10; and at their April 17 meeting, the Board will set the tax rate, hold a public hearing on the tax rate, and approve the budget.

Ms. Allshouse presented a slide with a list of desired outcomes: Review Revenue Updates, Discussion Items, Review FY19 Capital Budget/Updates, Summarize FY19 Operating and Capital Budget Adjustments, Board Approves FY19 Proposed Budget for April 10 Public Hearing. She next presented a slide with a list of items that would be part of this meeting's process: staff will present information; a school presentation on Phase 1 of the High School Capacity and Improvement/Modernization Program; Board discussion and vote on specific items; staff will balance proposed FY19 budget along the way; and Board motion and vote on proposed FY19 budget.

Ms. Allshouse presented an update through March 2018 of local revenue projections since the last update in December 2017: Real Estate: +\$1 million; Local Personal Property: -\$1.3 million; Consumer- Driven Activity: +1.1 million; Business-Driven Activity: +200,000; Total Additional Revenue: +956,290; She explained that staff would like to present these updates each year prior to the time at which the Board sets the tax rate for advertising

Ms. Mallek asked if they will still build the January 1 projection to build the book as a starting point. Ms. Allshouse confirmed this.

Ms. McKeel expressed support for the change in process and asked for clarification that this will tighten up the June numbers, noting that in the past they had seen greater than anticipated revenues in June because they used numbers from December.

Ms. Allshouse replied that staff believes this will tighten the process and the use of three more months of data will lead to much better projections. She next presented a proposal to distribute the additional revenues by formula which will allocate them: School Division: \$468,450, Capital Projects/Debt Service: \$95,864, General Government: \$391,976 (By Formula: \$312,300, Non-Shared Revenue (fees) \$79,676.

Ms. Palmer said it seems logical to divide revenues this way, though they have not yet heard from the state about the school budget as a result of the change in the composite index.

Mr. Gallaway expressed support for a change in the budget process, as it tightens up the information and provides the most up-to-date data to comprise the recommended budget. He said it will be a slippery slope to look at the context of this year and to have future Boards do the same, in terms of not putting it through the formula and treating it as if it were available in January. He explained that it would be too subjective and noted that the updates could result in a negative. He expressed support for using the formulas to allocate additional revenues, stating that this would be a fiscally responsible way of doing this.

Ms. Palmer asked Mr. Gallaway if he would close the door on allocation of more money to schools if there were a change in the composite index.

Mr. Gallaway explained that this is the way it should follow through, and then the Board would decide if it would like to send the additional \$391,000 to schools or to anywhere else. He said the new budget process should be done cleanly, not be subject to the whims of those on the Board, and should be allocated fairly.

Ms. Palmer asked if he would leave the door open as they go through the budget process to give more money to the schools if the Board were to so determine.

Mr. Gallaway replied that the decision before them is whether to have a revenue update in February before the March update, which should play out according to the formula, with the Board making additional decisions as to how to allocate a surplus or deficit.

Ms. McKeel concurred with Mr. Gallaway and said the decision has to be made first and it makes perfect sense to use the formula and base the budget on accurate, current data, and to not argue about precedents set in prior years. She commented that all six Supervisors could come up with different ways to allocate the funds, and an important step is to determine whether they would use the formula.

Mr. Randolph pointed out that they have never done this before and they face a precedent setting decision that could be difficult to break out of without a strong set of reasons. He made the point that it is important to demonstrate consistency to voters, especially in the budget arena, as public trust and confidence is eroded by inconsistency in budgetary decisions. He emphasized that residents pay attention to budget discussions and agreed with Mr. Gallaway that whatever policy they establish should be consistent whether they have a surplus or deficit, to show they are not playing political games but following a normal set of procedures, which are cleaner and easier to understand. He emphasized that a coherent and consistent policy is important and not necessarily the dollar amounts.

Mr. Dill noted that there would be a final reckoning on June 30, with potential additional adjustments between now and that time.

Ms. Allshouse agreed that there could be consistency and commented that this is an end of year process which has not historically been put through the formula. She said this is the proposed ongoing funding for the future, whereas end-of-year funding is one time in nature.

Ms. Mallek agreed that there is a lot of support for using the formula and asked staff to continue to refine the numbers, as there are a lot of local government items that come out and benefit the schools, and are not accounted for in the 60/40 split. She said they should do their homework to make sure the policy split they have adopted and continue to use is the best that can be laid out.

Ms. McKeel **moved** that the Board take the total local ongoing revenue and follow the prescribed formula with the School Division of a 60/40 split. The motion was **seconded** by Mr. Gallaway.

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

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

NAYS: None.

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Mr. Dill asked if a firm date is required. Mr. Richardson explained that at budget finalization, they will attach a firm date to the timing of the Board's setting of the tax rate. He said to avoid unexpected surprises, staff will provide the most refined and up-to-date information they have prior to the Board making a decision that is publicized.

Ms. Mallek acknowledged that there would be changes, but this makes an end point so it will not occur in subsequent months.

Ms. McKeel commended Mr. Richardson and staff for working hard on this. She recalled that in prior years when they ended up with more revenues in June than projected in December, they raised taxes and were questioned by residents of the community. She said this cleans up the process and makes it clearer for the public and for Supervisors.

Mr. Gallaway expressed appreciation to staff and said he is very interested in the methodology used to project revenue, and said this solves one part of this. He said it is important to analyze subjective qualities before the next budget.

Ms. Allshouse continued her presentation with a chart of available funding sources and the Agency Budget Review Team (ABRT) reviewed agencies. The chart listed specific dollar amounts for various categories and emphasized that other budgets, including that of Charlottesville, would undergo changes. She said Charlottesville realized some health plan savings in its budget that would also save the County money, totaling \$63,945, as there are some jointly funded agencies with staff on Charlottesville's health plan. She reminded the Board of the reserve for contingencies as a potential source to fund minor changes. Ms. Allshouse presented the following list of ABRT- reviewed agencies, which had been placed on a list for future discussion: Legal Aid Justice Center: \$1,161; Local Food Hub:

\$5,000; Sin Barreras: \$5,000; YMCA Childcare: \$10,000. She noted that Ms. Gretchen Ellis, who manages the program, is available to answer questions.

Mr. Dill commented on each of the items. He described the Legal Aid Justice Center as “a solid program that aligns with the County’s values,” and while similar programs received a 3% increase, this program only saw a 2.5% increase so it would seem logical to add this funding. He said the local food hub aligns with small business development and helping local entrepreneurs, and while the hub offers food and education programs about the benefits of healthy eating, it also purchases food from local farmers. He described Sin Barreras as “a solid organization with a valuable program that helps immigrants from Latin America register for school, navigate the bus system, access work force training, and integrating those with a language barrier into the community.” He said that providing an additional \$5,000 to them would be a symbolic way of demonstrating the value they offer to the community. Mr. Dill addressed YMCA childcare, reminding the Board that Governor Ralph Northam had discussed the importance of early childhood education, and he said the program serves 28 children from Albemarle and is a valuable program.

Ms. Palmer noted that the local food hub had received a solid recommendation from ABRT and was described as being “in moderate alignment of our goals.” She asked if it is in alignment with both the County and City goals or just with the County.

Ms. Gretchen Ellis said she was asked to look at the alignment with each locality’s strategic plan, and this reflects alignment with the County.

Ms. Palmer asked if there is something about the way this organization works that resulted in a description as “moderate,” instead of a stronger alignment.

Ms. Ellis replied that for the County, the hub’s work involved working with farmers – while with the City, they provide education on the use of healthy foods through the Fresh Pharmacy program.

Ms. Palmer asked for clarification that it receive a moderate description because the benefit of the education program is to City residents, though most of the food comes from County farmers.

Ms. Ellis confirmed this. She added that the Fresh Pharmacy program has a very small budget and the impact to Albemarle farmers is not great, though the overall impact of the organization is very strong.

Ms. Mallek invited Ms. Ellis to comment on the other three ABRT items.

Ms. Ellis replied that the Legal Aid Justice Center was rated as a solid applicant and the County, through the use of its scoring formula, gave organizations rated as exemplary an increase of 3%. She said that organizations rated as solid scored between 80 – 90 while those rated as exemplary had scored from 90 – 100.

Mr. Gallaway asked how an organization receives funding in the first year. Ms. Ellis replied that an organization must score at least 80 to be recommended for funding in the first year.

Ms. Palmer asked for clarification that ABRT recommended funding for the three items listed, but not for Legal Aid Justice Center because of the formula. Ms. Ellis confirmed this.

Mr. Gallaway asked if there were organizations that were not first-time applicants and that had scored just as well, but had not received funding.

Ms. Ellis offered to provide this information.

Mr. Randolph noted that Ms. Allshouse had furnished information on organizations that were rated as moderate, low, or none.

Ms. Ellis noted that until last year, the County had not funded any previously unfunded organizations since FY14. She said some organizations had been recommended for funding for as many as five years and the following were recommended for funding last year: Boys and Girls Club expanded summer program, Bridgeline Day Program, and the Women’s Initiative. She said these organizations had been rated as exemplary in their applications since FY15. She said that four programs had been recommended for funding over multiple years: Big Brothers/Big Sisters of the Blue Ridge, Lighthouse Studio, On Our Own Operating, and PACEM.

Ms. Mallek suggested they first discuss some additional funding requests before voting on the four ABRT items. She asked Supervisors if they would advocate for any of the items presented on the slide before them.

Ms. Allshouse said she has additional information about these items on subsequent slides.

Ms. Allshouse presented requests for additional funding beginning with the Sheriff’s office. She explained that while the FY19 budget includes \$79,000 for one additional deputy, they could fund an additional position for the same amount by utilizing \$45,000 from updated costs associated with the first position and \$34,000 from a total of \$63,945 in savings from reduced County costs from jointly funded agencies under the City’s health plan. She added that the new staff could start before the scheduled July

1 date if the Board were to approve the utilization of funds from the FY18 reserve for contingencies. She introduced Doug Walker to present on therapeutic docket funding.

Mr. Doug Walker presented on the therapeutic docket, which he said is also known as the mental health docket. He noted that Neil Goodloe, a criminal justice planner who recently presented to the Board on this issue, is present to respond to any questions. Acknowledging the concern of staff as to why the request is being made now instead of during the regular budget process, he explained that they had only recently received approval from the Supreme Court of Virginia to continue the docket, which was grant funded and set to expire at the end of this fiscal year on July 1, unless the County provides funding. He said the City had also received a request and would share costs with the County. He explained that funding will support part-time positions in OAR, which had taken on the responsibility for docket management and Region Ten, which would provide services for the individuals.

Mr. Walker said he had spoken with Regional Jail Superintendent, Martin Kumer who, though not seeing this as a jail initiative, expressed support for the benefits of the therapeutic docket in decreasing recidivism and in providing an alternative to the diversion program to keep people out of the correctional system through the delivery of better services and the addressing of mental health services. A slide presented showed the funding request for Offender Aid and Restoration (OAR) as \$55K for both the City and County for FY19, with a staff recommendation to place funds in a reserve until the City finalizes its budget.

Ms. McKeel added that the jail board had not yet discussed this request, and would not have the chance to do so until its next meeting in May.

Mr. Walker said the funding is not in the jail's budget and if it were, they would pass it through to the participating jurisdictions.

Mr. Dill asked if this program would save money for the jail's budget by reducing the number inmates. Mr. Walker replied that a reduction in recidivism is one of the best things you can do to offset costs associated with incarceration.

Ms. McKeel emphasized that if the Board approves a motion it should be worded to be contingent on the City's participation.

Ms. Mallek added that perhaps in future years additional jurisdictions served by the jail would be invited to participate.

Mr. Walker recognized the efforts of OAR and others to get support from the Community Foundation that will benefit from local government funding as leverage.

Ms. Mallek commented on the importance of local government having a stake.

Ms. Palmer commented that OAR's involvement is similar to the drug court and to what they have been doing for some time.

Mr. Walker agreed.

Mr. Randolph agreed with Mr. Gallaway's earlier comments about looking at subjective versus quantifiable ways of assessing the budget and hopes the Board can have a discussion about this in the coming months. He said they should have a cutoff date after which they will not accept applications for current budget cycle funding, as it becomes a "crazy quilt pattern" to consider a funding proposal that has not been carefully vetted by staff, and that neither the City nor the jail board has had a chance to weigh in on. He said if they approve requests such as this, it incentivizes last-minute requests that tug at the heartstrings, which is not good government. He added that this also devalues the value of staff, as the Board has not given them the opportunity to review the request and is flying blind. He emphasized that his comments are not about the cause, the issue, or who is being served – but the process itself.

Ms. Palmer said she agrees with Mr. Randolph's comments that they should avoid last-minute insertions, in concept; however, she emphasized that this particular item did not arise out of nowhere and had been developed for quite a while. She said that organizations see things change as a result of actions at the state level that causes unfunded mandates and requires last minute adjustments.

Mr. Dill noted that the School Division will present on a \$100 million budget later that night yet the Board is spending a great deal of time discussing relatively minor items that are covered by extra money coming in. He suggested that they quickly arrive at a consensus and move on, expressing support for all the requests before them.

The following requested items were listed on a slide but not presented on:

- Open New Transfer Station One Month Early: \$16,667
- Police Records Clerk: \$52,027
- Fire Rescue (multiple stations): \$680,744
- Information Technology (broadband support): \$59,519

Ms. Palmer expressed support for opening the new transfer station one month early. She asked about the police records clerk position.

Mr. Gallaway commented that the police records clerk was identified as the highest priority of the unfunded positions, and the staff memo indicated the position would get them to the minimum standard. He said patrol officers are coming off shift to do this work and asked Chief Ron Lantz if he agrees. Mr. Gallaway noted that Chief Lantz had nodded his head in agreement.

Ms. Palmer commented that the situation is similar in information technology, as the Broadband Authority Director of Information Technology has been doing clerical work.

Mr. Dill asked if there was additional information on the Fire/Rescue position requests. Mr. Gallaway emphasized that additional positions were originally on the list and that Supervisors had requested an explanation as to why they were not funded. He said if they are to approve funding for additional positions beyond the police clerk, he would prefer they be for Fire/Rescue.

Mr. Randolph calculated that if they are to base funding on the formula, they will not be able to fund all the requested positions, which would entail a cost of \$680,000.

Mr. Gallaway clarified that his intent is to fund the police records clerk position and if they are to fund an additional position, he would support that it be for Fire/Rescue. He pointed out that now that they have additional money available they will not have to defund something to pay for an additional position.

Mr. Randolph said he is not questioning Mr. Gallaway's choices, but is reminding the Board that they are looking at a total of \$455,921 and cannot fund multiple Fire/Rescue positions as well as everything else requested.

Mr. Dill interjected that there are other potential funding sources.

Mr. Randolph agreed but emphasized they will try to stay within the limits of what is before them.

Ms. Mallek pointed out that money from fees often goes to designated funding buckets, and it would not be wise to add the \$79,000.

Ms. Laura Vinzant, Senior Budget Analyst, explained that EMS fees are coming in and will supplant general government funding.

Ms. Mallek said that EMS fees are supposed to support Fire/Rescue and should not be allocated elsewhere.

Ms. Vinzant said EMS fees do not cover the entire costs of Fire/Rescue, and they would support Fire/Rescue with general revenues that are freed up.

Ms. McKeel **moved** that the Board follow staff's direction to support one additional Sheriff's Deputy using funding identified by staff. The motion was **seconded** by Ms. Palmer.

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

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

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Ms. Palmer **moved** that the Board approve funding of \$55,000 for the Therapeutic Docket, in a reserve, contingent on City of Charlottesville support for the program. The motion was **seconded** by Mr. Dill.

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

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

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Ms. Mallek commented that they had given an assignment to staff to find an additional \$30K to cover the cost of the mental health docket, with any success relieving the burden on expenditures and improving the lives of individuals.

Ms. Palmer said the opening of the transfer station a month early is changing the County's approval process. She expressed support for opening the station sooner as it may enable them to capture more business and generate revenue to the County.

Ms. Mallek asked for clarification as to the costs, as she received an email that indicated a larger figure. Mr. Blake Abplanalp of Project Management said the figure of \$16,667 is for operations and said the contractor had estimated a cost of an additional \$97,000 to \$98,000 to accelerate the completion date from September to August, due to overtime costs.

Ms. Palmer suggested that they follow Trevor Henry's recommendation not to approve an accelerated completion date as it is not worth it. She clarified that she supports a speeding up of

Community Development's process by one month, which would not involve the contractor and is not a change to construction.

Ms. McKeel asked for an additional explanation, as she is concerned about a change to the work plan. Mr. Abplanalp asked for clarification that the estimate was for the transfer station currently under construction, which is different than funding set aside for the recycling center. Ms. Palmer confirmed that.

Ms. Kelsey Lofton of the Office of Management and Budget clarified that the request was for operating costs to open the transfer station one month early, with the \$16K based on occupancy requirements that were not realized, not the work plan – and the additional \$100,000 is for capital costs, which Mr. Henry is not recommending.

Ms. Palmer **moved** that the Board approve \$16,667 to open the new transfer station (operations) one month early. The motion was **seconded** by Mr. Dill.

Ms. Mallek noted that the world is changing on a daily basis and home pickup of recycling is already offered out in the country, adding that they have the opportunity to capture providers before they make arrangements to go somewhere else.

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

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

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Ms. McKeel asked for an update on the funds.

Ms. Mallek said this is out of projected additional cash revenue to local government, for which they have allocated approximately \$100,000, bringing the total available from \$455,000 to \$352,000.

Ms. Lofton said they are now at \$352,054, having utilized all the health savings and \$45,000 within the Sheriff's budget that offset part of the \$79,000.

Mr. Galloway asked Supervisors if there is interest in funding the police records clerk position before they move on.

Mr. Dill stated he would like to do that.

Mr. Randolph asked that they have a discussion about this first, as it had not originally been included as a funded position by staff.

Ms. Mallek asked Chief Lantz and other staff to come forward and discuss this item. Chief of Police, Ron Lantz, addressed the Board. He explained that they are short by two positions and when a clerk calls in sick, they have to call in a patrol officer or bring another clerk in on their day off. He said the minimum staffing at the front desk is two for the day and evening shifts and one for the night shift. Chief Lantz stated that the position would allow for additional training, cut back on overtime costs, and represent a critical mission to the department as it supports the police in every capacity – including contact with residents, taking calls, requests for records, records management, data entry and more. He said the position represents his second priority, after his request for two patrol positions to support geo-policing. He emphasized that it has been many years since they had added a civilian position to the budget.

Ms. Palmer asked if volunteers fill in for this position. Mr. Lantz responded that VSIN requirements do not allow them to use a VSIN computer, though they could answer the phone or work the window. He said he sometimes places injured officers at the front desk, though they do not have the training that the front desk personnel have.

Mr. Galloway noted that this position cost less than half the cost of the next priority position.

Ms. Mallek added that they would save on the cost of overtime and wear, and reduce turnover.

Mr. Randolph asked that staff explain why this was not funded. Mr. Walker explained that the choice before them was to prioritize the items as presented by the many departments, which all had compelling needs. He said that when balancing the budget, they make choices as to how to meet the breadth of these needs on a department-by-department basis. He said they try to focus on the top need and once they get beyond the positions included in the County Executive's recommended budget, they can have individual conversations about particular needs. He said they had not looked across the entire spectrum of the organization to see what the next greatest need was and commented that many needs will continue to go unmet in order for them to balance the budget.

Mr. Randolph stated this was a very fair way to look at it and that it may be helpful to establish a three or five-point priority scale for staff to assign to unfunded positions. He said when staff scrutinizes a department, they look at all the data through a longitudinal analysis and have an understanding from department heads of what they are looking for. He suggested that the Board's packet include a list of unfunded positions ranked by stars so they would know which ones are highest priority, adding that they are not able to conduct a comparative analysis at the last minute.

Mr. Walker indicated that they could improve the process by bringing these adjustments forward earlier and with comparisons.

Mr. Dill expressed concern that a ranking scale would take prioritization away from the Board and give it to staff, and he suggested they have a discussion about this.

Ms. Palmer asked Mike Culp to address the Board about priorities and needs of the Broadband Authority and explain the responsibilities of the new position that had been requested and how it would help him. Mr. Mike Culp, Director of Information Technology and a member of Albemarle Broadband Authority, addressed the Board. He said they will take an existing half-time front desk position and make it full-time, which will not only help with greeting customers but also with bill processing, payroll, and administrative tasks. He said he spends at least five hours per week taking customer requests and performing other administrative duties. Additionally, Mr. Culp said he must review and post the minutes and agenda for every meeting. He added that the VATI grant, as well as other items, will be coming forward and will involve work to administer the grant. He said if they put together a spending criteria matrix, they will need someone to conduct upkeep and updating of vending criteria and other tasks. He said he had put together a list of responsibilities for the position and could furnish it to the Board. He said when the half-time desk employee is out of the office, they use support analysts to cover these responsibilities.

Ms. Palmer asked if the number presented represents the additional cost to make the position full-time. Ms. Allshouse clarified that the \$59,519 request represents the cost for a full-time position and the actual cost to change the half-time position to full-time is \$26,512.

Mr. Kamptner added that the \$59,519 represents the cost for a help desk analyst.

Mr. Randolph emphasized that they have not been using Mr. Culp in the most efficient manner, as his time should be spent on strategic items.

Mr. Gallaway **moved** that the Board fund the position of Police Records Clerk. The motion was **seconded** by Ms. McKeel.

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

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

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Ms. Palmer **moved** that the Board fund the part time position for IT at \$26,512 (convert the part time position to a full time position). The motion was **seconded** by Ms. McKeel.

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

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

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Ms. Mallek said these are really important things and she is glad the decisions went the way they had, expressing appreciation for the hard work of staff in putting together the budget. She said they are grateful that new money has become available.

Mr. Dill asked if there is support for any of the four ABRT items.

Mr. Randolph said he would speak to the process, noting that he had recently had lunch with the Executive Director of a nonprofit that had received funding through ABRT who related the hard work involved in putting together an application in order to earn a high rating. He said he would not want to do anything to disincentive nonprofits from working to exceed ABRT expectations and observed that many nonprofits worthy of County support do not go through the ABRT process, such as Loaves and Fishes, Meals on Wheels, and many others. He said when they fund lower priority items, they damage the process established so that non-political decisions can be made as a result of impartial committee recommendations to City Council and the Board of Supervisors. He said they will be politicizing the process if they fund these four organizations, which he agrees are worthy but are not recommended for funding. He emphasized that every single penny counts and they are elected to look after the taxpayer's money, for which they have an obligation to be fiscally diligent.

Mr. Dill said that funding, if available, is recommended for Sin Barreras at the solid level. He said if they are to follow Mr. Randolph's advice, they should fund organizations that have been recommended rather than give up their oversight responsibility – and should make policy decisions as to where they want money to go to support the community in the best way possible. He said they are giving ABRT control of the budget if the Board does not make decisions about things.

Ms. McKeel expressed appreciation for the hard work of Ms. Ellis and her staff in matching items to the strategic plan.

Mr. Dill said they have a fantastic process, but the Board should not sacrifice its own input.

Ms. Palmer said she supports going with the ABRT recommendations made through the process and asked that they establish a priority level that is in alignment with the strategic plan.

Ms. Allshouse interjected that new exemplary projects are funded and they did not go into the solid range, even though they were recommended by ABRT, as the actual funding decisions were made by the budget office staff.

Ms. Mallek asked for clarification that items currently in the funding stream and rated as solid or exemplary are also funded. Ms. Allshouse confirmed this, adding that only those rated as "top notch" and most closely align with the strategic plan are given a 3% increase.

Ms. Palmer asked for confirmation that some items rated as solid were approved because they had already been done before, but new requests were not. Ms. Allshouse confirmed this, adding that they had set the highest bar for new requests.

Ms. Mallek added that the highest bar standard has been in place since at least 2009.

Ms. Allshouse said that for a while they were not able to bring new agencies in to the ABRT.

Mr. Dill reiterated his earlier comments that decisions not be left solely to ABRT and staff, and that the Board be involved. He asked about the requests from Fire/Rescue, as they had not discussed these.

Ms. Allshouse said they do not provide the specifics of each position, but the next in priority is for an EMS instructor.

Chief Dan Eggleston of Albemarle County Fire/Rescue (ACFR) offered to address the request to fund the EMS instructor position. He reminded the Board that they contract with an instructor to provide instruction to volunteers, though they are having a hard time finding contractors locally. He emphasized the importance of maintaining a level of service to volunteers and this is second on their list of priorities, with the position in Scottsville being the top priority.

Ms. Palmer asked for the cost and if part of this includes one-time costs. Ms. Vinzant replied that it would be \$90,826, including one-time costs.

Ms. McKeel asked how much remains to be allocated. Ms. Vinzant responded with a figure of \$271,000.

Ms. Palmer emphasized how difficult it is to get volunteers.

Ms. Mallek asked what additional responsibilities the position would entail. Mr. Eggleston replied that the position will be solely to conduct EMT classes and either hire someone new or promote someone. He said they used to contract with TJEMS, a regional EMS council, but TJEMS had undergone dramatic changes and is unable to meet the demand so they now have to contract with other providers.

Ms. Mallek asked about Piedmont Virginia Community College. Mr. Eggleston replied that PVCC is focused on paramedic training and not EMT.

Ms. Vinzant said that salary and benefits equal \$82,000.

Ms. Palmer asked if the position would still be needed if the number of volunteers declines. Mr. Eggleston replied that the position could ensure they maintain a healthy volunteer system and they do not want volunteers to have to drive halfway across the County to attend a class.

Ms. Mallek speculated that there is a wider pool of people willing to try EMS versus becoming firefighters, and a larger number of EMS volunteers across the County would enable them to provide much better service.

Mr. Dill asked if they would realize any savings by hiring a person.

Mr. Eggleston replied that they have not been able to hire contractors, so it would not result in savings, though there is some minimal contingency money set aside for TJEMS that could help offset this.

Ms. McKeel asked if there is a way they could partner with the University of Virginia Health System and Martha Jefferson on this issue. Mr. Eggleston noted that they partner with Martha Jefferson and UVA for the Pantops station, though this particular area is sort of out of their scope. He said Martha Jefferson offers training mostly for advanced level nurses, doctors and technicians.

Ms. McKeel commented that doctors and nurses really want this training, as it not only helps the community but helps their resumes.

Mr. Dill asked Mr. Walker about the level of morale in other departments, noting that Fire/Rescue will get seven positions while everyone else get just one. Mr. Walker replied that staff understands the dilemma in making choices, and with the involvement of the Board and staff, there is a good balance of



trying to address a variety of needs across the spectrum of the organization. He said he does not see a concern among staff in prioritizing public safety over other needs.

Mr. Randolph expressed regret that he would not be able to support Fire/Rescue's request for the position, as the Board deserves to receive a report about the almost half-million-dollar federal grant provided for volunteer recruitment. He explained that if he had the report, he might have a better idea of how to contextualize the EMS instructor.

Ms. McKeel agreed with Mr. Randolph's comments and said she would like to have a discussion about the return on investment if they are to partner with the City before supporting this request.

Mr. Eggleston replied that for this position there is not an opportunity to partner with the City, as the County has a large demand for continuous training as a result of turnover.

Mr. Dill asked if there is a way to deal with training and volunteer issues without this particular position. He said it sounds like the hiring of one person is not the answer to these issues. Mr. Gallaway commented that if they take a vote and the motion fails it will go unfunded, would have to be researched, and either go in under contingency or wait until the next cycle.

Ms. Mallek pointed out that this is the proposed budget for a public hearing and they will have plenty of time to get information and take it off. She proposed to put it in and have further discussion. She explained that the return on investment is in not having volunteers travel long distances to attend class.

Ms. Mallek **moved** that the Board approve funding for an Fire Rescue EMS Instructor, contingent upon Board receiving reports and further discussion. The motion was **seconded** by Mr. Dill and was approved.

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

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

NAYS: Ms. McKeel and Mr. Randolph.

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**NonAgenda.** At 4:52 p.m., the Board recessed its meeting, and then reconvened at 4:59 p.m.

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Ms. Laura Vinzant, Senior Budget Analyst, presented a slide entitled, "FY19 Proposed Operating Budget Decisions":

Available Resources

General Fund New Local Revenue	\$391,976
City Health Plan Savings to County	\$63,945
Total Available	\$455,921

General Fund Expenditure Additions

Police Records Clerk	\$52,027
EMS Instructor	\$90,822
IT Office Associate (PT to FT)	\$26,512
Sheriff's Deputy (net cost)	\$34,000
Therapeutic Docket	\$55,000
Transfer Station (open 1 month early)	\$16,667
Total Additional Expenditures	\$275,028

Balance Remaining	\$180,893
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Ms. Allshouse explained that at the end of this meeting, the Board should decide whether to leave the remaining balance in the reserve for contingency or do something else with it.

Ms. Allshouse presented on the FY19 Capital Budget, which she explained represents the first year of the CIP that must be approved for public hearing. She said the capital budget must be approved as part of the total proposed County budget and emphasized that decisions made in the first year of the CIP may impact the availability of future resources and could affect tax rates in out years. She presented a slide with pie charts of revenues and expenditures included in the recommended FY19 \$57.7 million budget and a slide with capital budget highlights recommended for FY19:

- Maintenance/Replacement for County, Schools and Parks facilities
- Water Resources projects funded with one-time money in FY19
- Volunteer Fire Rescue Facilities Maintenance Pilot project
- Transportation Leveraging Program
- High School Capacity and Improvement/Modernization Phase 1 funding (design, land acquisition and construction of Center 1) totaling \$32 million.
- Other Recommendations: Public Safety Tactical Robot, Public Safety Mobile Burn Building Training Center

- Quality of Life potential referendum items to begin in FY20: Learning Space Modernization (\$12.8 million), Scottsville Elementary School additions and improvements (\$12.1 million).

Ms. Allshouse introduced Matt Haas to present on the high school capacity and improvement modernization program, Phase 1.

Mr. Matt Haas, Superintendent of Albemarle County Schools, thanked the Board for the additional funding and said he would brief the Board on an important project that will bring local government, community partners, and the schools together to improve the learning experience of high school students.

Mr. Haas presented a slide entitled, "Strategic Plan: Horizon 2020": Mission: The core purpose of Albemarle County Public Schools is to establish a community of learners and learning, through relationships, relevance and rigor, one student at a time. Vision: All learners believe in their power to embrace learning, to excel, and to their own future. Core Values: Excellence, Young People, Community, Respect. Student-Centered Goal: All Albemarle County Public Schools students would graduate having actively mastered the lifelong learning skills they need to succeed as 21<sup>st</sup> century learners, workers and citizens.

His next slide listed 2017 – 2019 Strategic Priorities:

1. Create a culture of high expectations for all.
2. Identify and remove practices that perpetuate the achievement gap.
3. Ensure that students identify and develop personal interests.

Mr. Haas explained that in Phase 1, they are looking to create two high school centers while making interior modernization renovations and improvements at all four high schools to support the vision of the High School 2022 reform effort, at a cost of \$35 million for one center. He presented a slide with the process overview to date: Visioning (August 2016 – February 2017): using multiple sources of information, data, and feedback, the Board would identify a vision for high schools that prepare young people to graduate ready to enter adult life; Facility Planning Study (February 2017 – October 2017): identify options to address capacity issues at Albemarle as well as the facility impact of the vision articulated in previous stage on current facilities; and Decision/Approval (November 2017 – April 2018): take action on recommendations of previous two stages.

Mr. Haas said they used this process over two years to arrive at their proposal for the CIP. He explained that the process involves visioning, research, field trips by School Board members to contemporary high school programs in Virginia as well as schools along the east coast, work sessions, and the work of consultant Fielding Nair International, to study the school division and come forth with a capacity solution that supports a vision of high schools that prepare young people to graduate ready to thrive as adults. He explained that the High School 2022 vision seeks to arrive at what the Virginia Department of Education had created as the "profile of a graduate." He described the current transcript approach that had been in effect for more than a century wherein students accumulate academic credit hours towards graduation. He explained that the aim of High School 2022 and profile of a graduate is to integrate four areas: Content Knowledge, Workplace Skills, Career Exploration, and Community and Engagement & Civic Responsibility so students would be prepared for work, college and for continued learning in life.

Mr. Haas emphasized that High School 2022 is a change in the way they operate and do business with students and families. He said the four operating principles are the result of over a year's work of a cross high school student, teacher, counselor, and administrator team. He read the operating principles: ensure equitable access and opportunity for all students; use fair and meaningful assessments; implement flexible scheduling and space to support student-centered learning; and encourage students to explore their interests and passions for course credit.

Mr. Haas directed Supervisors to the schools' website, which he said contains information, including extensive community engagement. He said they had conducted a budget survey of 2,247 community members between November 17 – December 17, 2017 and asked participants to consider eight items and prioritize their top three. He listed the overall top three community priorities as follows: 1) competitive salaries to attract and retain high-quality teachers; 2) competitive salaries to attract and retain high-quality support staff (food services, teaching assistants, bus drivers, etc.); and 3) fully funding all student experiences (field trips, school supplies, art supplies) so that no students are charged for participating in school.

Mr. Haas noted that there are differences in priorities selected by students versus those selected by other community members, with community members placing competitive salaries as a first priority and students placing fully funding student experiences as their first priority.

Mr. Haas reviewed the three charges asked of the consultant, with the first being to view capacity as having two meanings: Space for Quality Learning and Empowerment for Quality Learning. He explained that the second charge was to analyze the high school program as a system for all 4,000+ students rather than as individual high school kingdoms. He said the third charge was to help the schools get past constraints such as time, transportation, and food services. He noted that they often allow these components of high school life to drive what they do rather than let them flex around the programs they offer to students. Mr. Haas said the consultant posed four essential questions after their initial scan of the school system: 1) How do we respond to enrollment pressure in the North and West? 2) What does each

school site need to be modernized for an evolving high school program? 3) How do we create greater equity by expanding opportunity for all? And 4) How do we use space as a catalyst for High School 2022?

Mr. Haas listed the steps of the discovery and engagement process undertaken by the consultant: discovery visit, discovery findings visit, facilities assessments, community engagement, presentation of scenarios, and School Board session. He said the process took several months and reflected both a local and international perspective, as the consultant worked with schools around the world. He said they developed a continuum of options in response to the four questions and allowed the Board to evaluate each option. He said the Board had landed on the village model, which would maintain the four existing high schools and develop centers where specific programs would be offered. He said the School Board had recently approved funding to have transportation available to all three academies, which he sees as a first step in seeing transportation for students, as more of a transit system that would provide transportation to their schools as well as to the centers.

Mr. Haas presented an architectural rendering of a concept high school center and noted that the innovation core of the center would provide a work space for authentic and interdisciplinary work and could stay open during non-school hours as a community center, while the wings around it are locked. He said it could be open after hours for use by students from around the County to utilize the tools they need for special projects. He said the center would include presentation areas, project studios, and collaborative zones so students could cross-pollinate their ideas rather than having isolated content delivered in boxes. He proposed the idea of a STEM-Tech Center to provide opportunities for students seeking post-secondary education, as well as those who are looking for career opportunities right out of high school. Mr. Haas said they had learned from a program evaluation of CATEC that a barrier for student attendance had been that programs are not of high interest to students. He explained that they want to provide programs of interest to those seeking to enter a four-year college program, as well as those who would enter the workforce through a credentialing program, and he commented that these students should work together. He said the STEM-Tech Center would operate for extended hours, include a café open during all hours of operation, and utilize school transportation and network.

Mr. Haas presented a flow chart of the future process and noted that they would be hiring a planner for the center who would have the responsibility of designing the program in a collaborative manner and developing a community-based advisory board. He said they are in the process of piloting a small-scale center for the technology program, which could accommodate 10 to 20 students, to provide proof of concept that students would come out of their high schools to work side by side in a sheltered internship program to obtain course credit. He said they are conducting a program evaluation of CATEC and plan to conduct evaluations of the academies. He said they would conduct a workforce assessment in consultation with the Economic Development Office, which may include incubator space wherein students could propose entrepreneurship ideas and work with partners in a center shop.

Mr. Haas presented a timeline of construction phasing for the high school centers and four high schools.

Ms. Mallek asked if the pilot high school center used \$600,000 from the current request.

Mr. Haas confirmed that this funding is for leasing of space, as well as to hire a full-time lead teacher. He said the goal for the program would be to accommodate 150 students.

Mr. Randolph observed that he is presenting an idea that had been used by urban school programs for some time, especially for disadvantaged kids. He recalled a program in the Philadelphia area that was made possible by the availability of transportation, which he described as critical. He recognized a problem that students who live in the rural areas would not likely return to the center location after hours, and the centers would be utilized by the “haves and not the have nots.” Mr. Randolph commented that the types of buses in their current inventory do not lend themselves to the types of students that would be coming to the centers after hours, as they are designed for 42 students and not 5 to 10 students. He proposed that they locate the center in the area of the regional transportation hub they had identified for Rio/29 so they could utilize different bussing services. He emphasized the importance of the Board of Supervisors and School Board working together on the transportation issue to contain costs.

Ms. McKeel emphasized the value of the transit partnership they had formed and said she and Ms. Mallek had ensured that the School Division has a place at the table as they discuss transit in the community.

Ms. Mallek stated that she is reluctant to approve funding for site selection and design prior to passage of the referendum, which might not pass, and in the meantime, she supports the consideration of the concepts and work on transit.

Ms. Palmer agreed with Ms. Mallek that she would like to see the referendum. She asked if the approval of Phase 1 would result in a snowball of other things and how Phase 2 would be affected if they did not approve Phase 1, as well as if they would be locked into the additional phases if Phase 1 were to be approved.

Mr. Haas replied that his perspective is that Phase 1 is critical for developing a program to draw students out of Albemarle High School, which is overenrolled. He explained that they have twice as many applicants as openings for the MESA program, but wants students who are interested in pursuing this as a field to be able to participate. Mr. Haas said the other pieces are in response to their desire to renovate the entire system, though they are not all contingent on each other. He explained that they had looked at

existing space as an alternative to having two large centers, adding that the most important priority is to have flexible space for teachers and students to engage in work. He noted that there was also a goal to bring in partners, and there were different means to this end.

Mr. Gallaway pointed out that the \$90 million touches all four existing high schools.

Mr. Haas noted that the consultant had estimated the cost of an additional comprehensive high school as over \$90 million. He stated this proposal, in terms of alleviating capacity issues for instructional space and changing the way they do business, is probably the most cost-effective.

Mr. Gallaway emphasized that the \$35 million for Center 1 includes the cost of land acquisition and if a private entity wants to partner in a P3 activity, the land cost could be reduced or eliminated. He said the schools' transportation department had proven that it is a top-of-the-line department in finding ways to maximize efficiencies in operations, and he has full confidence and faith that they can come up with ideas for transit in the County beyond schools if they are given this task. Mr. Gallaway speculated that the use of smaller buses would be a recommendation.

Mr. Haas commented that they would be purchasing smaller buses and agreed with Mr. Gallaway's comments that if they task Jim Foley with the responsibility of creating a transit system, he would be able to do so. He said that he envisions Albemarle High School becoming more permeable to the business community at large in that area by students coming out and participating in internships. He agreed that this would have a snowball effect and said that large-ordered change should be done in this way.

Mr. Gallaway expressed that he wants to make sure they are doing the proper public relations on the pilot and Center 1 centers. He emphasized that they had already passed a bond referendum and know how to educate the public on this.

Mr. Haas noted that the second priority of parents and students is Workplace Learning Experiences, and he presented an estimate of the project cost:

Design	\$3,780,000
Construction/Other	\$25,200,000
Furniture/Fixtures/Equipment	\$2,520,000
Land Acquisition Cost	\$3,600,000
Project Total	\$35,100,000

- Planned Completion Date: July 2021
- Ongoing Operational Costs Beginning FY22: \$1.6M

Ms. Allshouse presented the options available before the Board for Phase 1: 1) Include total project costs in FY19 Proposed Capital Budget at \$35 million; 2) Reduce Proposed FY19 Project funding to only include design and/or land acquisition costs and amend the budget later, if desired; and 3) Delay the project (remove from FY19 Proposed Budget) and amend FY19 capital budget later to include the project if desired, and/or if approved by referendum.

She reminded the Board that decisions made at this meeting are only for the public hearing and would be finalized on April 17.

Mr. Dill asked about other potential items for a referendum. Ms. Allshouse said on March 29 they will talk more broadly about the CIP and quality of life referendum items, which had been modeled for FY20.

Ms. Mallek asked if there is some design money available for the current year from the previous referendum that had been put towards this project that could be used to forward this without going to the next construction phase. Ms. Rosalyn Schmitt, Director of Planning and Budget for Albemarle County Schools, addressed Ms. Mallek's question. She said that \$500,000 was appropriated for high school planning, a portion of which went to facility planning, with some remaining that be directed to additional site studies, though it would not even scratch the surface of the design center, but could assist with pre-planning.

Mr. Randolph expressed support for pursuing the first option, as they are only \$2.9 million of a \$35 million appropriation away in the CIP from being able to fully fund this. He said the Board has the option to seek a referendum and – if this were to fail – to fund the first phase from the CIP.

Mr. Gallaway noted that the memo did not say they were approving Phase 1 contingent on a referendum.

Ms. Mallek explained there was consensus of the CIP Committee to provide a long list for the Board to hash out and for the referendum to decide, which is different from what they had done in the past when the CIP Committee made some of the early decisions about what to include.

Ms. Allshouse commented that for the 2016 referendum, the question was for the funding and not whether they wanted to do the project, which resulted in a better interest rate.

Mr. Gallaway said if they are to approve a \$35 million referendum and a P3 steps in and the cost reduced to \$28M, they could be nimble enough to fix all the other things that could happen. He expressed support for Option 1, and to leave the bond referendum for a separate conversation.

Mr. Kamptner clarified that the amount in question is the maximum that could be funded by general obligation bonds.

Ms. McKeel asked when they would return for discussion of a bond referendum. Ms. Mallek responded that it would be April 11.

Mr. Kamptner commented that they would like to begin the discussion now with a desire to include this in the April 17 discussion so that the School Board could adopt a resolution in May, followed by Board of Supervisors adoption in June in order to get the petition before the court – with a key deadline of August 17, by which time they must have the court order for a special election to be held at the same time as the general election. He said they would have plenty of time if the Board is able to take action in June.

Ms. Palmer asked if under Option 1 the \$35 million bond referendum were to not pass, they would still spend the money. She asked what the impact on the tax rate would be for next year. Mr. Randolph confirmed this, as the funds would be in the CIP.

Mr. Letteri clarified that they would be appropriating the funds for use in FY19 and approving a borrowing resolution. He said there would not be an impact on the tax rate for FY19, but would have an impact for FY20.

Ms. Allshouse pointed out that she had provided a sheet to Supervisors with CIP scenarios that were based on current assumptions of revenues, interest rates, and other items that could change. She said under current CIP assumptions, which includes the courts project, they would be looking at a tax increase over a five-year period of about 1.2 cents. She said that if they were to approve an enhanced foundation that includes some priorities, the increase would be 2 cents; and if they were to approve the third option, which includes the basic items plus additional items put forward by the Oversight Committee as well as the Ivy recycling center, the increase would be about 4.6 cents over five years. She emphasized that this includes the operating costs the schools had identified for FY24.

Ms. Palmer asked for clarification that this does not include stormwater. Ms. Allshouse agreed.

Ms. Palmer expressed concern that if they do Phase 1, they may be locking themselves into a 7.6-cent increase by the end of the CIP period, which to her is not doable. She said the stormwater fee would be another 1.5 cents.

Mr. Letteri said what is defined under Item 3 is a total of \$198 million over five years, approximately 4.6 cents. He said this does not include the second phase of the school project or modernization components, as it just includes the center.

Ms. Palmer commented that if they really want to commit to parity, they would be looking at a larger number. She suggested that they hold another discussion about alternatives.

Ms. Allshouse emphasized that the purpose of this meeting is to discuss and approve the FY19 first year of the five-year capital budget. She said they had thought about holding a more comprehensive discussion of the five-year plan at the March 29 work session and suggested that at this meeting, they concentrate on the first center within the proposed budget for advertising.

Ms. Mallek said she understands that a lot of thought has gone into this, but she wants assurance from the School Board that they have a pilot that works before determining how to spend \$35 million+ and approving a 4.6-cent tax increase.

Ms. McKeel asked for clarification for both the public and herself, that the 4.6 cent tax increase is not just for the high school but also includes ACE and Advancing Strategic, Ivy Recycling Center, Fire/Rescue Volunteer Facility Maintenance Pilot Project, Police Evidence Processing and Storage.

Ms. Allshouse confirmed this.

Mr. Randolph pointed out that they had reserved discussion of big ticket capital items for last and are therefore predisposed to look at the little, incremental expenditures they make on an annual basis as being “throw-away confetti.” He emphasized they are adding approximately \$2.8M of ongoing human resources costs and are aware they are 2.4 cents below what they should be in the CIP because they borrowed against it during the near depression. He said if they are to put the \$2.8M in the capital budget, they would have additional funds to cover costs going forward and would be less reliant on borrowed money. Mr. Randolph pointed out that all the little expenditures add up, though they have vetted these costs and understand the rationale and value of them. He said they have been reviewing big ticket items last rather than first, and are therefore not as conscious as to how they have incrementally spent money against capital along the way.

Ms. Mallek said Mr. Randolph has a good point and she learns more about long-term implications of things every year, commenting that staff had done a good job and the Board had already discussed

these items. She said she is glad they made the choices they had made, and would determine the rationality of them going forward.

Mr. Richardson stated it is critical from a timing standpoint that the Board take a formal action on the proposals put forth by Ms. Allshouse and her staff. He said that March 29 is a placeholder day and is tied to the CIP Committee's work, though it would not involve time-sensitive items.

Ms. Palmer expressed a preference for Option 3, at it allows them to delay the project and referendum for any length of time and consider the implications of a six-cent tax increase over the five-year CIP.

Ms. Mallek said there should not be any allocation until the referendum passes and said she understands that if they vote for Option 1, things will begin on July 1, which she is not ready for at this time. She added that she would like to wait for a referendum to pass and continue a deliberative process, so they could have a better concept later.

Mr. Dill commented that Option 3 keeps their options open the most, but delays the project and removed it from the budget, which does not sound supportive of the schools.

Ms. McKeel asked for clarification from Ms. Allshouse that Option 3 would take the project out of the CIP for the FY19 proposed budget and only includes costs for high school capacity. Ms. Allshouse confirmed this.

Mr. Kamptner clarified that while it would not be in the FY19 capital budget, it would appear in the CIP in an out year if the referendum is approved, which will accelerate this particular project. He said that staff will come back with a FY19 capital budget amendment to accelerate the project.

Ms. Allshouse clarified Mr. Kamptner's explanation and said they would place it in the CIP in FY20 and then, if the referendum is approved, they can amend the FY19 budget.

Ms. McKeel commented that if the referendum is not approved, there is no fallback.

Mr. Gallaway asked how not starting by July 1 would delay the process. Ms. Schmitt replied that when they submit the CIP request, they also submit a spec plan. She said the majority of the spending is from January and after, with anticipation that it would be on a referendum and they would not want to make a substantial investment before then, though there would be some pre-planning in the fall in order to hit the ground running in January. She said a month or two delay would kick the project back a year.

Ms. Mallek commented that funds left over from the previous year could help with some of the current work.

Ms. Schmitt replied that it would not help substantially. She noted that they appropriated design funds for Woodbrook in June before the referendum passed in November.

Mr. Gallaway pointed out that whether or not a referendum passes, this is the school's capital plan that the Board said it agreed with. He said the bond referendum is not a source of new revenue, but a means for funding and not the deciding factor as to whether or not they do the projects.

Ms. Mallek commented that in Albemarle County, it had been a deciding factor over the last few years – and prior to that, referenda were not held because the Board had decided what was going to happen. She said many people argued for years that there should be community support for expenditures and tax increases, and the schools and advocates did a fabulous job of delivering this. She emphasized the importance of having community support.

Mr. Gallaway recognized this, adding that if the bond referendum had not been approved, they would still be doing an addition to Woodbrook. He said this was the top capital project supported by the committee.

Ms. Mallek said the \$100 million high school is a placeholder that the CIP Committee had discussed, and it was not recommended in any detail except that it would come before the Board for further analysis and discussion.

Ms. Palmer added that sometimes they have to scale down a high-cost item if they do not think they can raise taxes enough to pay for it.

Mr. Letteri interjected that he believes the view of the CIP Oversight Committee was that these items are important projects, and he supported putting them in the CIP plan, subject to referendum. He said a failure of a referendum would be a signal to the Board to scale down.

Ms. McKeel recognized that the CIP is very fluid from year to year with items removed and adjusted.

Mr. Letteri noted the importance of distinguishing between the capital budget and capital plan.

Mr. Dill said it seems to him that Option 1 gives them the opportunity to hold a referendum just on Phase 1 and, if this fails, to try to do something else.

Mr. Randolph said they would have to have a collective adjustment process with the School Board if the voters are to send a signal that there has to be a different approach. He said this is the most cost-effective approach, given capacity needs in the County's high schools. He stated that Option 1 provides assurance to the schools that, regardless of what happens with a referendum, they would proceed with a capital appropriation which would allow them to go forward with a strategic implementation.

Ms. Mallek commented that some would ask why they are even asking, if they would provide funding anyway, and could lead to suspicion about all the question, in addition to the school question.

Ms. McKeel asked Ms. Schmitt to speak to this. Ms. Schmitt reminded the Board that last year it had amended the CIP in June, in advance of the referendum, and made adjustments that included impact to the current fiscal year. She indicated that this would be represented by Option 1, while with Option 3 they would make an amendment after the referendum.

Mr. Kamptner stated they do want it in the CIP, though not necessarily in the current year, which had already been addressed. He said the difference between Options 1 and 3 is whether it appears in the FY19 capital budget now or after a referendum.

Ms. Palmer asked why they could not amend the capital budget after a discussion and asked if they could do this any time, including after a referendum. Mr. Kamptner deferred to Ms. Allshouse.

Ms. Allshouse explained that Option 3 would allow for inclusion in the CIP beginning in FY20, followed by a referendum, and if the referendum passed, they could then amend the CIP and appropriate funds.

Mr. Dill asked how the scenarios would affect planning, as he would hate to waste six to nine months without any progress in terms of the consultant's work, studies, and relationships with the community. Ms. Schmitt replied that she does not think this would delay the process as they would proceed under the assumption that they must be prepared to advance once the money is available.

Ms. Allshouse pointed out that Option 2 does not provide full funding, but includes design and land acquisition and represents a middle road option.

Ms. Schmitt emphasized that this would be the only money spent in FY19.

Ms. McKeel emphasized that what they decide at this meeting would be brought to the April 19 public hearing for FY19 and could be changed.

Ms. McKeel **moved** that the Board approve Option 1 for the FY 19 Proposed Capital Budget for public hearing. The motion was **seconded** by Mr. Randolph.

Roll was called and the motion **failed** by the following recorded vote:

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

NAYS: Ms. Mallek, Ms. Palmer and Mr. Dill.

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Ms. Mallek commented that if they select Option 2, the site of land acquisition would be a decision that affects everybody.

Mr. Letteri remarked that he thought Option 2 was intended to set aside money for land acquisition and would focus on design, noting that they would be committing a substantial amount of funds into the project.

Ms. Mallek remarked that the money would be out the door in June without further interaction.

Mr. Dill said it gives them the most flexibility, as it announces it to the public and gets things going, but does not commit them to the entire project. He expressed his view that the project provides flexibility, is conducive to change, and allows them to partner with Rio/29 and other projects.

Mr. Gallaway asked if the selection of Option 2 would only gain a month or two since they would not start until January. Ms. Schmitt replied that the difference between Option 1 and 2 is that land and design costs are all they are spending in FY19.

Ms. Palmer remarked that she wants Option 3 because she thinks it provides the most flexibility to change their minds. She is still concerned about a six-cent increase over the five-year CIP process, and is hoping to learn of a way to scale down or stretch out the projects over a longer term.

Ms. McKeel emphasized that these decisions could be made after the public hearing, and what they are deciding on tonight is what to take to the public hearing.

Ms. Mallek expressed support for Option 3, as it would allow the public to feel it is being asked.

Ms. Palmer **moved** that the Board approve Option 3 for the FY19 Proposed Capital Budget, to delay the project for Board discussion and amend the FY20 capital budget to include the project later, if desired and/or if approved by referendum. The motion was **seconded** by Ms. Mallek.

Roll was called and the motion **failed** by the following recorded vote:

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

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Ms. McKeel expressed concern that if they go with Option 3 and the referendum does not pass the project will not happen and for this reason she supports Option 1.

Mr. Gallaway pointed out that the Board would first have to approve a bond referendum, and he is uncomfortable in not including a capital project before making a decision to go to a referendum. He said he does not want to get into a habit of a process in which they make CIP decisions contingent on whether or not they hold a referendum. He said it would serve as an escape hatch, as they could say that the voters had approved a project – but this is not the proper way to consider whether they should be doing CIP projects. He explained that this would represent his commitment to a project, regardless of whether a referendum is held.

Ms. McKeel stated that the bond referendum is a way of financing important projects that need to go into the CIP. She agrees with Mr. Gallaway.

Ms. Palmer said she wants to support the schools, which have a great plan, and make sure they have capacity, but understands that she would then have to vote to increase taxes by six cents over five years to support this. She wonders if the project could be extended over a longer period of time, and she does not want to commit to a tax increase without allowing the public to weigh in.

Ms. McKeel replied that she is not committing to a six-cent tax now, but to put this into the CIP to take to a public hearing.

Mr. Gallaway said he wants to be clear that it is not about this being a school project, but is pertinent to approving a capital improvement plan and making it contingent on a bond referendum, which he does not feel is the proper way to make a decision. He said the proper way is to decide what the capital projects would be, allow public input, and then determine how to fund it.

Ms. Mallek emphasized that the amount proposed for the CIP is more than they have ever had in the County. They need to be really thoughtful in carrying this out and aware that the citizenry may not understand what other communities go through to approve capital projects of this size. She commented that it is important to allow people to weigh in and influence the Board's decision.

Mr. Randolph remarked to Ms. Mallek that Option 1 accomplishes her goal as it does not require the taxpayer to approve a bond referendum for Phase 1, and could be funded with an extra \$2.9M through the existing FY19 capital budget. He said they are all concerned about the referendum, but they have to start somewhere to address an inescapable capacity issue faced by the School Division and to ensure equal education opportunities to everyone in the County. He said if they delay, they are sending a message that they are not committed to ensuring the best quality education for high school students.

Ms. McKeel agreed with Mr. Randolph and said they could put it in the CIP and then decide on how to finance it.

Ms. Allshouse clarified that the money Mr. Randolph mentioned as being available is not actually available, but would require future borrowing.

Mr. Dill commented that there does not seem to be much difference between the plans, and they all offered flexibility to stretch things out.

Mr. Richardson emphasized that a public hearing will be held on April 10 for which the Board must decide from among the three options, followed by a final decision to be made April 17. He remarked that they would have a week between these two meetings to make changes.

Mr. Gallaway remarked that if the public comes out against the \$35M the Board could still make a change, but if they go without the \$35M they are basically saying they would not put it in.

Mr. Dill said he is willing to support Option 1 in order to break the logjam and said that both sides have great points, adding that this allows for flexibility.

Mr. Gallaway **moved** that the Board reconsider the vote on Option 1. He was **seconded** by Ms. McKeel.

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

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

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Ms. McKeel **moved** that the Board approve Option 1 for the FY19 Proposed Capital Budget, to take to public hearing. The motion was **seconded** by Ms. Mallek.

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

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

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Ms. Allshouse reminded the Board of a balance of \$180,893 that remains unappropriated, and offered the option of placing it the reserve for contingency for future discussion.

Mr. Randolph suggested that they place it in capital.

Mr. Dill expressed support for placing it in the contingency reserve.

Mr. Dill **moved** that the Board direct the remaining balance of \$180,893 to the reserve for the Contingency Fund. The motion was **seconded** by Ms. Palmer.

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

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

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Ms. Allshouse stated they now have a proposed budget, with some changes, for advertising. She said she would see them again on Thursday.

Ms. Palmer **moved** that the Board authorize staff to advertise for public hearing the FY19 proposed budget, which includes the County Executive's recommended budget and the amendments made by the Board of Supervisors. She was **seconded** by Ms. Mallek.

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

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

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

There were none.

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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 29, 2018, 3:00 p.m., Room 241.

At 6:40 p.m., Ms. Mallek adjourned the Board meeting until March 29, 2018 at 3:00 p.m. Room 241.

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Chairman

Approved by Board
Date 06/06/2018
Initials CKB