

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 29, 2018, at 3:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from March 27, 2018.

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

ABSENT: None.

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

Agenda Item No. 1. Call to Order. The meeting was called to order at 3:03 p.m., by the Chair, Ms. Mallek.

Ms. Mallek recognized the presiding security officer, Officer Lowery, and meeting attendees introduced themselves.

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Agenda Item No. 2. Work Session: FY 2019-2023 Capital Improvement Plan (CIP).

- Meeting Overview
- Discussion: Correction to the Board's Proposed FY 19 Budget; Combine JAUNT Funding Line Items
- Review and Discuss CIP Model Updates/Options
  - Review and Discuss Referendum Options
- Board Consensus on Proposed FY 19 – FY 23 CIP
- Summary and Next Steps

Mr. Richardson reported that there was one item carried over from their March 27 work session, specific to their recommended operating budget for the new fiscal year, and it addressed funding set aside in a contingency for JAUNT – consistent with the organization's budget request of \$142,000 for FY18-19. Mr. Richardson explained that an issue had arisen over the last day for which, after conferring with staff and JAUNT's Executive Director, as well as Mr. Kamptner, staff may be able to advise the Board to make an adjustment that would be revenue neutral and thus would have no bearing on the recommended budget. He noted that it would impact the availability of funds available July 1 and said that Mr. Kamptner has more information, if necessary.

Ms. Palmer asked Mr. Kamptner to explain what it is.

Ms. McKeel said Mr. Kamptner had written something earlier that was distributed to the Board stating they would actually be combining two line items, which does not pose a legal problem because it is revenue neutral and would not affect the budget public hearing legal advertising in any way. She noted that Mr. Kamptner's email indicated this is a correction that should be made to the Board's proposed FY19 budget, and a motion to make the corrections should be considered.

Mr. Gallaway commented that they are just taking this out of contingency.

Mr. Randolph confirmed the same.

JAUNT Executive Director, Mr. Brad Sheffield, stated that when he prepared the organization's FY19 budget, he used a typical approach of taking the current budget and carrying it over into the future year, factoring in cost of living and wage increases. He explained that the idea was to take the 85 JAUNT-employed drivers and put them on the road next year to do the same service they do now. Mr. Sheffield said he wanted to find a way to pay the drivers more, so he dug into the data to analyze the information and try to find the flexibility to make that happen. He stated that he reduced the need to have 85 drivers down to 78, then take the savings from that and distribute it to the remaining drivers to provide that wage increase. Mr. Sheffield noted that the budget he assembled is a "high-performance budget," meaning that if he pays his drivers better, he can incentivize their performance – which then would save money overall.

Mr. Sheffield stated that it did not occur to him to have this conversation earlier, because he felt the wage aspect was a more understandable issue, but it seems important to discuss it because it is an either/or approach to the budget. He said the money set aside has the perception of being for higher wages, but if he was to pay only a 3% increase he would still need the money for the other drivers eliminated in the high-performance budget. Mr. Sheffield emphasized that it is a complicated approach that took many hours, but he would not propose it if he felt it would not incentivize the drivers. He commented that it seems to get lost in translation, and as a contingency line item it is also confusing other partners about the intent and direction of where it is going.

Ms. McKeel noted that they are really just taking the two line items and combining them, with the same number in the end as when they were separate.

Mr. Randolph asked Mr. Sheffield to explain why JAUNT needs its drivers to get a higher salary. Mr. Sheffield responded that it is important to him personally, but one major factor is that JAUNT loses drivers to better paying jobs in the market. He said he wants to keep the same type of person that Wegman's and other employers want because of their personality and character. Mr. Sheffield emphasized that he can teach skill, but cannot teach character, which is 99% of the job. He stated that

finding how to better pay drivers and keep them long enough to get them to perform better is a win-win all around, and people are leaving JAUNT for more money. Mr. Sheffield said that enhancing performance will enable the organization to do more for the City and County because drivers will buy into what they do.

Ms. McKeel **moved** that the Board correct the proposed budget by amending pages 82 and 160 to combine the JAUNT and JAUNT driver wage contingency line items into a single line item and combine the funding for those two line items into a single total. Mr. Randolph **seconded** the motion.

Mr. Gallaway asked why it was put into contingency to begin with. Ms. Mallek responded that often when there are different jurisdictions involved, the Board has tried to get everyone on the same page – and it is important in this case for the County to take a leadership role.

Mr. Gallaway stated that he is supportive of the proposal, and just wonders if it was placed in contingency because the County was waiting for another jurisdiction to come on board.

Board members confirmed that this was the rationale.

Mr. Richardson noted that one of the County's key partners is the City.

Mr. Gallaway commented that what the City chooses to do does not change the County's position.

Board members agreed.

Ms. Palmer said she had recalled that this would be taken up as a partnership, and she asked if this would be held in contingency until that partnership discussion takes place.

Ms. McKeel explained that the partnership discussion would address whether or not they want to have a competitive wage throughout the community, but the partnership would not be paying the competitive wage and is just discussing that possibility. She noted that there is a retreat scheduled for June, and this is part of the greater discussion around the partnership and its objectives.

Ms. Mallek stated that they would not be in a position to do anything about the partnership for FY19.

Ms. McKeel agreed.

Ms. Palmer said she wants to ensure that the contingency is reliant on the City putting something aside.

Ms. McKeel and Ms. Mallek said this is not the case.

Ms. Mallek stated that it is in a contingency.

Ms. McKeel stated that they are taking it out of the contingency fund.

Mr. Sheffield said he is not sure of the origin of the idea, and on the surface it seems reasonable. He stated that when the focus is on wage, it seems like the best approach because it helps foster and ensure the conversation – but as things evolved with the budget discussions, it was important to understand that this is a wage dollar amount existing to serve the purpose of employing additional funds for the drivers, either at 3% or larger. He said it became complicated because they were stuck on the idea of a higher wage, but the budget is a wash because if that had not been brought to the table, the request would have been \$1.99 million instead of \$1.93 million – which is just doing the status quo and not pushing the drivers. Mr. Sheffield stated that this clouds what he is doing internally to make it happen, and he regrets doing something complicated without tackling that matter first, then dealing with something more subjective like a wage increase. He emphasized that he would like to take the wage increase conversation off the table, because it would still end up being the same amount of dollars, and wage comparables should not be a budget conversation. Mr. Sheffield commented that the frequency of the regional transit partnership (RTP) meetings prevented the wage conversation from being productive.

Ms. McKeel responded that the RTP is hoping to get there.

Mr. Sheffield said he thinks this will come back up, but he hopes it does not arise as a budget issue. He emphasized that it is still important for them to figure out how JAUNT, CAT, and school transit will all be on the same page. He commented that it is not about paying but is about recruiting, appreciating, retaining, and knowing how they treat people in this profession.

Ms. Palmer stated that she assumes the City is considering different qualifications for drivers and the number of years they have worked, comparing this to JAUNT drivers.

Mr. Sheffield pointed out that this should not have been part of the conversation and it ended up derailing the discussions.

Mr. Gallaway clarified that the reason he brought this up is because he feels it should not have been in contingency to begin with.

Ms. Mallek said they are fixing it now.

Mr. Richardson emphasized that it was not staff's intent to create an operational disruption for JAUNT as an agency, and they are appreciative of the Board's willingness to reconsider it at this time.

Mr. Sheffield said that he will reach out to each Board member to discuss this more entrepreneurial approach, which will help JAUNT achieve more for the County and the City.

Ms. McKeel **moved** that the Board correct their proposed budget by correcting pages 82 and 160 to combine the JAUNT and JAUNT driver wage contingency line items into a single line item and combine the two line items into a single total. Ms. Mallek **seconded** the motion.

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

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

NAYS: None.

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Ms. Lori Allshouse, Director of the Office of Management and Budget, addressed the Board and stated that she and Holly Bittle will be presenting to them at this work session. Ms. Allshouse stated that the Board will hold a public hearing on the proposed budget on April 10 and will set the tax rate on April 17 following a public hearing. She stated that this meeting will cover a variety of topics, with the goal of obtaining the Board's guidance on the FY19-23 Capital Improvement Plan (CIP). She said that staff is hoping for approval, but will, at a minimum, appreciate any guidance. Ms. Allshouse stated that after reviewing some background material, staff will present a follow-up request from the Board, with the schools providing a bit more detail on the high school capacity improvement projects – including connecting the pilot to the first center and how it connects to all the phases of the project. She noted that they will then discuss the CIP Oversight Committee's recommendations and how those evolved, along with the five scenarios and resource needs previously shared with the Board. Ms. Allshouse said they will also discuss timing of projects, as well as those that are not included in the CIP, and will review how a referendum timeline would move forward should the Board choose to move forward with it. She added that staff will also leave time at the end to address any questions or considerations from the Board.

Ms. Allshouse stated that the CIP provides details on projects a local government wants to take over the upcoming five years and is a plan – updated every year to reflect revenues and expenditures, implementing timing adjustments for projects as needed, and adding or removing other projects. She said that typically the County does a full-fledged CIP one year, then an amendment year, and the implementation depends on Board funding with the plan being subject to revision in the out years. Ms. Allshouse emphasized that while a locality must adopt a capital budget, they do not have to adopt a CIP, but Albemarle's practice has been to always approve a CIP as part of the annual budget development process. She said staff strongly recommends that the County approve a CIP in the spring, preferably by April 17. Ms. Allshouse stated the last time they did a referendum, they came in later in the process, but the earlier the better especially because of education funding needs. She noted that the Board will decide today, or shortly thereafter, what will be included in the CIP for the schools and for general government – and what the community can support and afford.

Ms. Rosalyn Schmitt, Director of Planning and Budget for Albemarle County Schools, stated that she wants to provide two quick clarifying slides related to the CIP conversation. She said she wants to briefly address the role of the pilot center as it relates to the larger CIP request and the 600-student center, and explained that the pilot center is in the operating funding request. She said it is leased space and would have a soft opening in the coming school year with 20-40 students, hoping to be grown in time to as many as 150 students. Ms. Schmitt emphasized that this is not to test whether the center model is the right model or not, but to test the details of the model – from food services to transportation to communication with students. She said it is not anticipated that there would be complete results from that center before the next one comes online, and there is a strong possibility they will continue to operate after the larger center opens. Ms. Schmitt explained that the next center is the 600-student center, with the intent of the model being to build a network of models – with the second center to determine whether it is a structural need or capacity need.

Ms. Schmitt reported that the schools also want to provide the context for this phasing, as there was a question of whether commitment to phase one meant they had to do phases two, three, and four. She said the intent of the request was that it is a comprehensive request for the entire high school program, so center one could operate without the rest but the impact on students would be limited and would not influence the full high school program. She noted that it is not all or nothing, but the "all" would definitely provide more equitable instructional opportunities for all students.

Mr. Gallaway said if they stop at 600 plus the pilot of 150, this would meet the capacity needs for the high school, based on projections.

Ms. Schmitt confirmed that this meets the schools' 10-year projections.

Mr. Gallaway stated that the centers could not really be counted as "seats," but for planning purposes it works that way.

Ms. McKeel said that not completing it would mean lack of equity across the division for all the students.

Ms. Schmitt agreed, stating that if only 600 students out of a total of 4,000 high school students countywide are attending the center, this is not reaching everyone.

Ms. McKeel added that this would be creating barriers for students, which is what they are trying to avoid.

Mr. Dill commented that the idea is to make changes all along the way, so they would certainly see what works and what does not, and be able to adjust it.

Ms. Schmitt agreed, stating they have learned from the past that the more flexibility and “skeleton-like nature” of the buildings, the more the programs would adapt over time.

Mr. Gallaway noted that one leap of faith was the Agnor-Hurt multi-age space, which was really a first attempt at investing in a project like that. He said it has now been in place for a number of years and they have been able to research it, and this is the model being followed for the Woodbrook space.

Ms. Schmitt stated that current modernization efforts through interdisciplinary classrooms at high schools were at a small scale that are now ready to be scaled up.

Ms. McKeel applauded the schools for doing smaller pilot projects before taking a big leap, because this provides an opportunity to identify issues and what changes need to be made.

Ms. Palmer asked if there would be an alternative if the Board decides that a 4.5-cent increase is too much to ask for at one time, with the schools being the biggest portion of that. Ms. Schmitt responded that if this does not go forward, they will remain at the current status quo – leasing trailers at Albemarle, with that population only continuing to grow. She said that Western is sustained with no trailers, but if nothing is done they will soon need trailers. She emphasized that if they do not make space changes either in the center or the modernization, this will be a limiting factor for the High School 2022 program.

Ms. McKeel recalled a need 20 years ago for 20-30 trailers at Albemarle High School – with a lot of students in trailers.

Mr. Randolph commented that as a principal of a school in Virginia Beach that had trailers, he feels there is nothing more devastating to student morale than to have to leave the school building and go out into trailers. He stated that while the trailers are not unattractive, they do not allow the same kind of natural space and feel of a school building – and it is more challenging for teachers to teach for a year in a trailer.

Ms. McKeel pointed out that there are safety issues with trailers as well.

Mr. Randolph said there are also additional expenses, as trailers cost more to heat and insulate during the year.

Ms. Mallek asked Ms. Schmitt for further information about the Scottsville improvements. Ms. Schmitt responded that it would be covered later in the presentation, particularly related to scenario five.

Mr. Gallaway stated that the center’s model addresses both curriculum and capacity, as a new high school would cost \$40 to \$50 million and is not needed based on the schools’ capacity study. He commented that there is really no other option other than adding trailers, but the last redistricting committee said they had exhausted redistricting options for Albemarle High School. Mr. Gallaway emphasized that at some point, it is a bricks and mortar issue, and in the urban ring there would likely need to be a new elementary school in the next 10 years.

Mr. Dill agreed that they need more capacity and it is a bricks and mortar issue, but the question is whether the only alternative is to “do everything” and he wonders if the best approach is a gradual one that has a long-term vision of flexibility and cutting edge education.

Ms. Schmitt confirmed that the schools’ intent is not to do it all right away, but to gradually bring these things online.

Mr. Randolph stated there would need to be an assessment as to the center’s effectiveness for the teachers and the students, as well as how parents feel about it, keeping in mind that the transportation for this would be an ongoing issue. He said they need to approach this in bits and do what they must do to immediately address overcrowding at Albemarle High School, facing Western in the near future.

Ms. Mallek said that no one is casting any doubt about the schools’ process and the benefits for students, but the question is the pace of the approach and how much that would take over everything else that is happening.

Mr. Trevor Henry, Director of Facilities and Environmental Services, mentioned that staff had shared this project with Stantec, the County’s development services advisor. He explained the region the schools are contemplating are in the Rio/29 area that is also the focus of strategic planning and the small area plan. Mr. Henry noted that when Stantec goes out for premarketing, this is one of the projects to be

discussed as potential – so there may be opportunities that emerge from that process in the coming months.

Mr. Gallaway said that while they focus on center one, they should not limit it to that but should instead tell the whole story in the event there are partners interested in other areas.

Ms. Allshouse stated that staff could address this again as they go through the process and continue to talk about it, as this is an important project in the context of the CIP.

Ms. Allshouse reported that she would move onto a discussion of the Oversight Committee's recommendation, noting that two Board members served on that committee this year. She said this is a long-term process in terms of developing a CIP in the County, and the Oversight Committee is an important part of that – preparing a report that comes to the County Executive's Office around the time they are preparing the budget. Ms. Allshouse stated that the Oversight Committee this year had provided something different than what had been received in the past, and she mentioned the committee included Board members, School Board members, Planning Commissioners, and a citizen representative. She said the committee's charge was to provide a report recommending a five-year balanced CIP to the County Executive.

Ms. Allshouse said this year they developed scenarios to address some "pent-up infrastructure needs," and that was the focus of their discussions in the last year's process. She explained that the committee's memo provided two basic scenarios: a foundational or basic model that met mandates, obligations, and maintenance replacement projects; and a "scenario five" model that included some specific project requests and a recommendation that the County consider placing a number of quality of life projects – including schools and local governments – on a referendum. Ms. Allshouse said at the time the Oversight Committee made this recommendation, the specific referendum projects were illustrative in nature and were bundled so the Board could consider different combinations of "straw man" projects, with the committee's memo indicating that the final list of projects would be determined later in the process. She noted that the Oversight Committee had discussed the possibility of considering bond referendums as more of a regular practice in the County – with no bond referendums since the 1970s until the one the County instituted in 2016. Ms. Allshouse said that Mr. Henry had bundled two or three different scenarios to show the Oversight Committee how that could work.

Ms. Allshouse presented a slide that staff had shared with the Board on March 1, which reflected a different CIP than ones done in the past, and the proposed plan – particularly scenario five – would require additional resources beginning in 2020, based on current projections. She stated that there had been a projected tax rate increase associated with a 2016 referendum, but there was a planned deferral in several scenarios, which was based on assumptions. Ms. Allshouse noted there has also been a strong infusion of one-time end-of-year money, which means the County could cash fund and would not have to borrow. She stated that staff also wants to look at financial management strategies, and the pay-as-you-go process is an important approach for adding cash in, with the current models reflecting this. Ms. Allshouse said they are also getting more fine-tuned on spend plans, so the borrowing would occur when the spending was needed, even if a referendum is approved. She stated that the model prepared with Davenport & Associates also had some short-term borrowing between issuances, with the County going out and doing some borrowing with Davenport. She noted that the County could also borrow from its own cashflow or from a bank. Ms. Allshouse stated that the operating impacts with scenario five had not all been discussed yet, but those associated with center one at the high school had been identified. She said there were activities associated with a doubling CIP that would need to be considered, and staff had not yet fine-tuned that as the process is still for the Board's consideration. Ms. Allshouse stated that scenario five and others along the way include a 2018 referendum, with the high school capacity improvement project or elements of it, and there are other quality of life referendum projects included – which do not exclude the schools, as they also have a few projects in that package, including Scottsville, and some learning space modernizations in the second bundling.

Ms. Allshouse reported that water resource/stormwater projects are also included in the CIP, and in FY19 there is some one-time cash funding allocated – but for FY20 forward the Board would need to start thinking about that project and how to approach it.

Mr. Randolph suggested the Board table discussion of the staff-proposed stormwater utility fee, as it will be presented to the Board and the public on April 11 and the Board has not yet discussed the fee program publicly, nor has it received or reviewed the final staff proposals. He stated that despite this reality, the Board continues to receive daily calls and emails from primarily rural residents opposed to the stormwater utility fee in the rural areas of the County. Mr. Randolph recommended that the Board utilize April 11 to examine a variety of options, several of which he has shared with the Board and staff, that have the potential to improve the equal operation and fairness of the stormwater utility fee in the rural areas. He noted that the goal would not be to finalize the rural stormwater utility fee, but to begin to discuss whether refinements or improvements exist to enhance the fee. Mr. Randolph stated that if at the end of the review, consensus or a Board majority supports that a different fee is not attainable, then the Board must be prepared to retain stormwater management in the rural areas as a general budget item and not have it funded through a dedicated fee. He added that he has concerns about the track they are currently on.

Ms. Mallek responded that the time to have that discussion would be at the end of the meeting during "Matters from the Board," and she would not like to have it at this moment because there are already other things on the agenda to discuss.

Ms. Allshouse stated that the Oversight Committee looked at several scenarios, from a basic foundational scenario to the scenario five, and staff has distributed a summary of the different scenarios but she also has some slides available. She said the slides address what the scenarios are, as well as affordability and additional resource needs, based on current assumptions on interest rates, revenues, etc. Ms. Allshouse explained there is a foundational or basic scenario that is similar to capital improvement plans of the past – maintenance obligations, maintenance and replacement projects, and the courts. She presented the previous year's CIP with updated revenues and expenditures, adjustments in timing, and some other basic minor adjustments – and staff is referring to this as “scenario one,” a foundation scenario. She mentioned there is also a resource need associated with this scenario, and it covers a five-year timespan for the CIP.

Ms. Allshouse reported that scenario two is that foundation with some enhancements, including some funding for ACE in the four years beginning in 2020. She stated there is a reserve for advancing strategic priorities and the Board has some strategic priorities with activities and project management, which would require some capital resource needs – so there is \$2 million in the foundation enhanced scenario, while others are still being defined. She said the Ivy Recycling Center is in this version, as well as the Fire/Rescue volunteer facilities pilot – with more funding requests likely in the future, and design for a police evidence processing and vehicle storage facility. She noted that what is not in scenario five is the actual construction of that project, as they will not have the full funding reflected until they know what the design is. Ms. Allshouse mentioned that the way the CIP was set up was for the design, with the full costs not yet included. She stated that scenario three builds on the first two and includes the high school phase one, center one.

Ms. Allshouse said that scenario four includes all of those plus the high school phases one to three, which basically reflects center two – moved out of the five years based on the schools' further review of the centers. She stated that it also includes the two modernizations as part of phases two and three. Ms. Allshouse stated that scenario five builds on all of those but also includes a quality of life referendum project, which is a bundling of some projects across many categories in general government plus a few extra projects for the schools – more learning space and modernization efforts for the elementary and middle schools, including the Scottsville Elementary School project. She said those two projects are in as one lump sum to start in 2020, and they are modeled in the Board's information as such.

Ms. Allshouse said the Board's input should consider what they feel should be included for schools and local government, as well as what they feel the community can afford. She stated that based on assumptions to be changed as they get updates on revenues and expenditures, staff provided information on the project costs. Ms. Allshouse reiterated that this is a plan – not a budget – and the Board needs to consider what should be included for schools and local government, and what they feel the community can afford and participate in for the CIP. She stated that based on assumptions at this point, staff addressed project costs and the additional resources needed in dollar amount and tax rate equivalent if the real estate tax is used as a mechanism to leverage those resources.

Ms. Allshouse stated that the basic foundation model reflects 1.2 cents over five years.

Ms. Mallek said if natural growth continues as it has in the current fiscal year, enabling them to defer the increase needed by the 2016 referendum, that would contribute some of the \$8.7 or \$12 million without adding to the tax rate.

Ms. Allshouse agreed that it is important to recognize the assessments themselves – not just the tax rate – as part of using real estate revenue. She said it is also based on assumptions of how much cash they can put in at the end of a fiscal year, so that could also change.

Ms. Palmer asked if the tax rate increase from the last referendum was included in the foundation scenario. Ms. Allshouse explained that it was deferred, but according to the current assumptions there would be an equivalent amount of about a penny that would need to come in 2020, and it would not be an addition to something that was already on a model.

Ms. Mallek noted that it would technically be lower than what they had been assuming, and she did not realize that originally.

Ms. Allshouse confirmed this.

Mr. Gallaway said this was because of the cash infusion.

Ms. Allshouse responded that it was the cash infusion and the change in assessments.

Ms. Mallek commented that there was a higher burden on taxpayers because the assessments went up and the rate stayed flat, but this would allow the County not to have to borrow right away.

Ms. Allshouse said the end-of-year, money as mentioned by Mr. Gallaway, is very important, because it affects the formula of how much goes to capital, local government, and schools as a cash infusion. She stated that with the projects they just discussed, there would be an increase to two cents over five years if pennies are used to obtain the additional resources needed. Ms. Allshouse said that level three had an equivalent tax rate increase of about 4.6 cents over a five-year period, built on the two pieces plus the high school center funding.

Mr. Randolph stated that he found it helpful to use the sheets provided by staff on March 23, which show the scenario summaries and the proposed draft CIP, reflecting 1.2 cents over five years and adding 1 cent in FY20. He said comparing that to scenario three – the enhanced foundation plus high school center one – they move in FY20 from 1 cent to 2 cents, then have to have 1 cent in FY21 and .8 cents in FY22 and FY23. Mr. Randolph stated that over five years, this is 4.6 cents, but it is spaced out over a period of time and the hit in FY20 is unavoidable because it includes the start of the learning center and the enhanced aspects of the second scenario, which includes ACE and the police storage facility. He commented that comparing scenario one to scenario three shows the difference of going to 2 cents in FY20, but it is declining on an annual basis over the five years.

Mr. Randolph also emphasized that adding staff does not consider the fact that this is a recurring expense that takes money out of the budget that could actually be in the CIP and help alleviate some of the tax increase. He said that while it is good to meet goals and objectives as Supervisors, this year would require them to be disciplined and focused on the fact the CIP is something they need to be conscious of – as the voters will have a reaction to the projected increase in taxes and may not understand the rationale behind the operation of the CIP.

Ms. Allshouse added that sometimes capital projects have an operating impact, and they need to be mindful that when the school center one comes online, there is an estimated cost on the operating impact that staff has already built in and included in their estimate of increased needs. She said they have not reviewed every operating impact for every project, but one is very large and the schools have already provided a number on it.

Mr. Randolph stated they are all under an obligation to try to find public-private partnership (P3) opportunities that take out the costs associated with real estate, to potentially look at a value-added opportunity for an innovative school center in the community. He said the goal is to drive costs down – not to nickel and dime the learning center – and to try to get it within constrained costs while meeting the School Board's educational objectives. Mr. Randolph noted that this will help them going forward in scenarios four and five to incur the additional expenses in future years to address the other objectives.

Mr. Dill noted that the real estate costs would be offset by the rental from a private entity, as they would be leasing it to the school system or the County, so that would have to be taken into consideration.

Ms. Mallek said hopefully the general welfare and economic success of the region would end up with a higher return in various categories when added together, otherwise they will not be doing it at all.

Mr. Gallaway stated that the center will add to operating costs, but wonders if it helps defray operating costs from other schools in the sense that it is a capacity solution.

Ms. Schmitt explained that operating impacts are based on the assumptions of additional staffing but not additional teachers, such as cafeteria staff, the principal, etc. – and they are not anticipating per-pupil costs as those would come from the base schools.

Ms. Mallek said it seems likely there would be more students, so there would be more costs – but that would happen regardless of whether the center is open.

Mr. Randolph stated that ideally, they would be able to eliminate some of the trailers so they recoup the benefit of not having the rental and utility expenses in the budget.

Ms. Schmitt confirmed this.

Ms. Allshouse stated that in comparing scenario three to scenario four, there is only a small amount of money needed to go to phase three – but that is because the costs would be outside of the five-year window. She emphasized the extra resources needed are those within the five-year window, and there would be additional costs in years six or seven.

Mr. Randolph said that given the level of indebtedness the County would have to occur, the project overall would be phased in over about 10 years, in terms of going out to referendum. He said it is not politically astute to go to referendum every year, and with interest rates increasing they may have several years where they do not want to go out. Mr. Randolph commented that forcing the Board's hands to say it has to fit into five years may make things more difficult than the actual way this would be implemented.

Ms. Mallek responded that she does not think Ms. Allshouse had said that.

Mr. Randolph emphasized that he does not want the public to assume the Board is trying to shoehorn all of this into five years, but for budget purposes staff is presenting this as a five-year budget – and realistically this would be phased into more than five years, but hopefully less than ten.

Ms. Palmer recalled that going out to referendum would give them eight years to spend the money.

Staff noted there could be an additional two years.

Ms. Allshouse stated that even if they have the authority to do it, they would not actually bring it in but have to base it on how the expenditures are going.

Ms. Palmer commented that per Mr. Randolph's point, they have to be careful how much they ask from the public in a referendum, and going out for the entire amount would likely mean less buy in, and most people would probably prefer to split it between two.

Ms. Mallek said that having different topics and different questions for different types of elements of investment is important, as people realize it is a diverse referendum.

Mr. Randolph stated the Board may feel that within four years, the capacity reached for the County Office Building would mean the need for an addition onto the current building or the need to move into another building, which would be put into the CIP as a priority going forward. He said they are pushing the limits of space in the building, and the consultant has said they are already at capacity. Mr. Randolph commented that it would have an impact on staff morale if they continue to shoehorn more people into the space.

Ms. Palmer said the County Executive may decide that telecommuting makes sense.

Ms. McKeel said there are other discussions that need to take place in that regard.

Mr. Richardson commented that by the time they pass their budget on April 17, they may need to provide more clarification as to what the Board's expectation is with the timing of phase one, as well as the schools' desire to look in the general vicinity that Stantec is considering – as there could be a timing issue with calendar years 2018 and 2019, especially regarding real estate acquisition. He said Mr. Henry's point is well taken in terms of the need to have more precise timing in terms of site location and real estate acquisition, should the potential to collaborate arise, and there could be minor delay if the work with Stantec takes priority.

Ms. Mallek asked if staff could provide feedback on the timing, because she does not feel she is in a position to direct staff as she does not know what is possible. Mr. Richardson confirmed this is a good point, and it is up to staff to work with the consultant and let the Board know how close the timing is. He added that it is also important to keep the schools involved so there is no confusion or delay.

Ms. Mallek emphasized that opportunities are real, and they do not want to miss a chance to take an opportunity – and they also need to know what the barriers and limits are.

Ms. Holly Bittle clarified that on the sheet with individual scenarios, she inadvertently double-counted the pennies for operating impacts in FY23, which means the totals are slightly lower. She stated that for scenario three, the dollars in millions is still correct, but they only need to increase the tax by 0.8 pennies and not 1.6 cents; for that scenario, they would only need 3.8 cents.

Mr. Randolph commented there would be no increase in 2023, because that is 0.8 cents.

Ms. Bittle confirmed that his calculation is correct. She stated that for scenario four, they also reduced it by 0.8 cents on the tax rate, so that total would be 4.3 cents instead of 5.1 cents. She said that in scenario five, it went from 7.6 cents to 6.8 cents.

Ms. Mallek noted that the amount of revenue increase this year, based on natural growth, is approximately \$3 million – and that helps to put some of the numbers into perspective, as it does not necessarily mean rate changes if there is success in economic development in the future.

Ms. McKeel commented that this is why their work around economic development is so important. She asked Ms. Bittle if she could provide a final revised version of the scenarios, given the corrections made to the numbers.

Ms. Allshouse said she would review scenario five and then come back to the page that shows the Board what is in and what is out. She explained that scenario five adds the quality of life referendum of about \$40 million. When the Oversight Committee recommended two approaches, they recommended the basic foundation scenario but also the scenario that included all of the previous items plus additional quality of life referendum items such as parks, transportation revenue-sharing, etc. Ms. Allshouse presented a slide showing what was included in scenario five for general government, with the only difference between scenario four and five being the quality of life referendum projects.

Ms. Allshouse said the scenario also includes two years of transportation leveraging in the CIP, the PVCC site work, the Senior Center at Belvedere funding, the courts improvements, \$2 million for strategic priorities, a public safety maintenance and replacement program that includes apparatus, County and parks maintenance and replacement, County IT server infrastructure upgrades, the water resources stormwater items, and the quality of life referendum projects. She explained that on the school side, the scenario includes the school maintenance and replacement program, technology programs for administration and students, a school bus replacement program, all 2016 referendum projects as they were finalized, high school capacity improvements phases one through three, other quality of life referendum projects. She noted there would be project management fees for both local government and school projects.

Ms. Allshouse reported that the schools' quality of life referendum projects includes the Scottsville Elementary School project and more learning space modernization beginning in FY20, and the schools requested those projects to start in FY19 to meet important timeline considerations. She said the budget



document includes the additional two school projects to begin in FY20, and the schools' actual request was for them to come in sooner, with the timing of Scottsville Elementary School being critically important.

Ms. McKeel asked for clarification as to why that change was made. Ms. Allshouse explained that in thinking about the quality of life referendum items, staff did it as a straw man bundling of projects – with three different bundles for the Oversight Committee to consider – and when they put it together for the committee's letter, staff said the items were not set in stone but were just projects to consider as quality of life initiatives. She said the Scottsville Elementary, quality of life projects for local government, and other learning space modernization were part of that bundle – and because it came into the budget document as \$39 million bundled, they may or may not be the types of projects the Board wants to do in their quality of life referendum, and those have not yet been clearly identified.

Mr. Randolph asked where the payment is for quality of life projects under scenario three, if the School Board presents a referendum for 2018 that the Board supports, and he asked if that is the 2 cents that appears for scenario three in FY20, and if that is to pay for the quality of life projects – or if it is to cover the 2016 referendum that has not yet shown up as a dedicated allocation within the CIP. Ms. Allshouse responded that her understanding was the quality of life projects would start as a bundle in FY20, so it would depend on the timing built into the model.

Ms. Bittle clarified that there are no 2018 referendum projects in scenario three other than the high school center one, and the quality of life referendum project package at \$39 million does not appear until scenario five.

Mr. Randolph asked if the only way to get those quality of life projects is to go with scenario five. Ms. Mallek responded that they would just need to move them.

Ms. Bittle explained that they are modeled under scenario five, but could be modeled a different way, depending on Board preferences.

Mr. Randolph stated that if the School Board feels they are imperative and wants them to go out for funding in FY18, that would mean an additional cost under scenario three, and it is not included now to get those features.

Ms. Mallek said she was thinking about where they could pick up other local government projects that were buried in scenario five, because when the CIP Oversight Committee looked at this, there were "chunks" that reflected different community needs – with some of them at \$20 to \$40 million and some of them at \$2 million. She emphasized that she wants them to carefully consider those other projects, rather than waiting another five years. There were things, such as park improvements, that were included under the quality of life package, and the County heard frequently about the needs for recreational amenities and the opening of parks for which they currently have no operations funding allocated. Ms. Mallek emphasized that she feels there should be different questions on the referendum, as there was a lot of discussion at the Oversight Committee about separating those items out. She recalled the first iteration of the school modernization was \$36 million, which would be \$6 million over six years, and now they are trying to pull them back into year two.

Mr. Randolph agreed, stating that when considering the quality of life referendum projects, there is a distinct difference between improving an elementary school and learning space modernization, when the leading project would be the learning center. He stated they need to assess how this works and how responsive people are to it, because in terms of urgency between the two, the elementary school would be the most critical and should be included first. Mr. Randolph stated that he would like to know what the modernization project would cost with the new numbers.

Ms. Mallek responded that the Scottsville Elementary addition is \$10.9 million.

Ms. Bittle stated that she would provide them with a precise figure.

Ms. Schmitt clarified that the schools had requested the item for FY19, but if it were to go onto an FY18 referendum and still maintain the schedule, they would need design funding in advance of the referendum, beginning in July. She stated that the design planning was just under \$1 million for the contract.

Ms. Palmer asked how many elementary schools currently have trailers. Ms. Schmitt responded that all elementary schools do, but Scottsville is the only one that uses it for grade-level classes, and the other schools use them for extra classes or administrative service. She said the middle schools have no trailers and high schools only have trailers at Albemarle, with eight academic trailer classrooms.

Ms. Allshouse mentioned that there are some projects not included at all in the scenarios under the CIP, and the Board needs to be aware that several items are not reflected. She pointed out that the Crozet Elementary School addition is not included in any of the scenarios for five years.

Ms. McKeel emphasized that this is a backlog, as the County spent years doing critical maintenance only – and there are some very important items to the public now reflected in the backlog.

Ms. Allshouse said there are also some future requests coming and some other things to be considered going forward.

Ms. Palmer stated that they are putting a lot of money into Scottsville, but still have Red Hill Elementary to consider, which touches on the parity issue among schools.

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**NonAgenda.** At 4:40 p.m., the Board recessed, and then reconvened at 4:52 p.m.

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Ms. Allshouse stated that during the Board's break, staff updated the numbers and the handouts for the Board, as well as the scenarios, based on assumptions as of today and potential additional resources needed for various scenarios being reviewed.

Mr. Randolph asked if staff could separate the quality of life items so there are two alternatives, reflecting inclusion of just Scottsville Elementary under one alternative and inclusion of the school as well as modernization under another alternative.

Ms. Allshouse stated that the learning space modernization included in the bundle for referendum, which they are pulling Scottsville from, is a modernization of elementary and middle schools. She said the high school modernization was part of their high school project in its total, and the learning space modernization included in the bundled bond referendum has some learning space modernization for elementary and middle schools.

Ms. McKeel commented that the modernization piece is somewhat confusing because it is "one big word," and she asked staff to explain.

Ms. Schmitt explained that modernization in this case refers to investments in current buildings, with scenarios four and five referring to modernization of high schools, with the quality of life bundle encompassing learning space modernization for elementary and middle schools.

Ms. McKeel said the confusion is what was in the referendum that was called "modernization."

Ms. Schmitt responded that the referendum was also referred to as learning space modernization, with the first two years of it, including elementary, middle, and high school classrooms.

Ms. Allshouse stated that what the referendum staff is referring to now is the one already approved in 2016, and it was touching every school but did not do the complete modernization.

Mr. Randolph commented that it is going to be really important going forward to make it very clear to the public what was included in 2016 and subsequently achieved, and what will be proposed in the new referendum, regardless of what year it goes forward.

Ms. Schmitt explained that it was intended to be a multi-year program, with the first referendum affecting about 130 classrooms out of 900 in the school division.

Mr. Gallaway noted that on a smaller scale, they were doing learning space modernization prior to the 2016 referendum, which was a continuation of CIP projects. He noted that prior to being called "learning space modernization," it was called something else.

Ms. Schmitt stated there was a \$250,000 investment in modern media centers that had scaled up.

Ms. Bittle said that she is happy to reformat the information and include different projects, and asked if they want her to put the learning space modernization in scenario three for the elementary schools.

Mr. Randolph responded that he would like for her to include all modernization as the School Board has proposed so there would be two alternatives: Scottsville as a standalone, and the entire modernization package over the five-year period.

Ms. Bittle asked if he wants high schools, elementary schools, etc. Mr. Randolph replied that it should include all of them as proposed by the schools for modernization to go forward to referendum in 2018.

Ms. Schmitt pointed out that there is a big order of magnitude between the full high school modernization and the other schools.

Mr. Randolph clarified that he is looking for whatever should be included as the schools' quality of life referendum.

Ms. Schmitt responded that it would only be the middle schools and elementary schools, which would equate to \$6 million per year.

Mr. Randolph agreed that this is what he wants to include.

Ms. Mallek noted that 2016 was for the first two years, and this is essentially the next two years.

Ms. Schmitt pointed out that they were bundled in a way that could be accomplished in two-year increments.

Ms. Palmer said there is no reason to put it all in scenario three if they would not be able to accomplish it.

Ms. Schmitt responded that the only thing in the quality of life modernization project was \$6 million per year, covering 65 classrooms.

Mr. Randolph stated that it would be interesting to see what would be needed to bring all the elementary and middle schools up to the level the School Board and school administration thinks is appropriate for students, and the only thing to be worked on going forward would be determining the schedule to upgrade the existing high schools and the potential rollout of the second learning center.

Ms. Palmer asked if this would mean adding the Red Hill money, if the goal is to bring all schools up to parity. Ms. Schmitt responded that what would be achieved in the two years of modernization would not bring up every school to parity, and it is just the next two years.

Ms. Palmer said she assumed that, but wanted to say they are not necessarily bringing up the schools to where they would ideally like to have them.

Ms. Schmitt stated she would defer to the School Board as to how they would prioritize these.

Mr. Randolph said this is the School Board's decision.

Ms. Mallek suggested that before they do a lot of modeling, the Board should provide some refinement to the request and there are likely other Board members that have had priorities ignored since 2002 that they would like to bring up – with many of them being smaller items that always got pushed to the bottom because they were perceived to be less significant. She stated that many constituents' only contact with government is going to a park or something recreational, and the Board needs to consider providing some things for them as well.

Mr. Randolph stated that at least the Neighborhood Investment Funding Initiatives program swept some of those items out of the CIP, and there may be an opportunity in the future to approach some additional projects that are critical to quality of life in communities. He added that those are the projects that people often measure performance by in terms of their elected officials and their county as a whole.

Ms. Palmer commented that the challenge would be getting everyone on the same page of the list that goes into the referendum, and if they do scenario three with some enhanced projects, she would be choosing things such as the Northtown Trail and the trail to Biscuit Run, as well as new soccer fields. She said these are things she feels the community needs that would improve the appeal of the referendum.

Ms. McKeel stated that they would likely have some different ones, but would also have some overlap.

Ms. Allshouse referenced a slide presented, stating that when they discussed bundling of projects done for the Oversight Committee, there were some specific ideas brought forth. She stated that Mr. Henry looked at the highest ranking Technical Review Committee projects and a way to balance it over categories in establishing items for consideration. She said the school priorities included learning space modernization for elementary and middle schools at \$12.8 million and Scottsville Elementary School additions and improvements at \$12.1 million, and the schools had some projects in addition to the high school capacity improvement project. Ms. Allshouse stated there were three other categories, including transportation, which had three projects identified. She noted that some of these were just phases of a project, not the entire thing, so that should be considered prior to establishing a bond referendum for the non-school projects. Ms. Allshouse stated there was a category for community facilities and greenspace and one for public safety, which included a Fire/Rescue training facility that ranked highly.

Ms. Mallek stated that the mobile burn trailer that was moved into this year's budget was intended to buy them time to find a site for the \$4.1 million facility and do the design, and it would have a 10-year life expectancy depending on how much use it gets.

Ms. Allshouse stated that the project was bundled this way and when staff put the package together, they planned these to come into the Board's program in FY20 because it was a discussion item and they did not program which ones would start in FY19. She noted that ideally, the schools would like at least the design for their school programs to go forward in FY19.

Mr. Randolph noted that Biscuit Run was not reflected on staff's slide, but the expectation was that the Department of Conservation and Recreation at the state level would be making an ongoing commitment to working with the County to help fund some of those improvements, and there would be an opportunity for the County to apply for grants through DCR and through federal resources to get the necessary infrastructure upgrades for Biscuit Run to be fully used.

Ms. Mallek stated there is some County investment required to get parks open, but that opens the opportunity for state and other funders to bring out the next level of development – but without the initial County stake and commitment to open, it would not happen. She said she is looking at the parks and

greenspace category as a way to make some progress with these 400 and 500-acre properties donated to the County, which is currently not fulfilling the dream of the donors.

Ms. Palmer asked what the timeline is for the Board figuring out what is in the referendum. Ms. Allshouse presented a slide of "referendum timing considerations," stating that the Board would need to provide general direction on the referendum by April 2018, and staff would then start working on questions and dollar amounts, as well as working with the legal department. She said the School Board must request a referendum in May for their projects, and the Board would need to request a referendum in June, with the County filing a petition. Ms. Allshouse stated that in August, the court will order a special election, and it will be on the ballot in November at the same time as the general election. She noted that this is a tight timeline and they will have to get moving on it very quickly, and there is a lot of community education required to go along with a referendum. Ms. Allshouse added that it is imperative for the Board to provide direction as to which scenarios staff should run and which items should be considered.

Ms. Palmer said they would not have to specify which athletic fields would be included, for example, but could just put "parks with athletic fields."

Ms. Allshouse confirmed that they could write the questions that way.

Ms. Mallek mentioned utilizing the needs assessment.

Ms. Palmer agreed.

Ms. Allshouse stated that the questions could be broad or specific.

Mr. Dill asked if there is a way to organize the Board's goals, as it seems to be a free-for-all with Supervisors just throwing out different numbers and categories. He stated that the CIP Oversight Committee came up with some suggestions, and that seemed to be a starting point.

Ms. Allshouse said the affordability piece is an important consideration for the Board, and they can approach it by a dollar amount as this would provide guidance for staff.

Ms. Palmer stated they would not want to make the referendum too large, and scenario three and the associated dollar amount make the most sense to her.

Ms. Mallek said she would agree with scenario three, plus a dollar amount that would enable them to implement the parks and local government projects that are still way down the list.

Ms. Palmer agreed with inclusion of something for parks and athletic fields.

Ms. Mallek commented that it is important to her to have separate questions, rather than having one huge question, and that is the way it was presented by staff to the CIP Oversight Committee.

Ms. Palmer said they have to address the athletic field issues, particularly with the schools growing the way they are. She stated that her understanding was that the new center does not have an athletic field associated with it, so they would need to do something separate for athletic fields.

Mr. Bill Letteri stated that staff could bring back increments in terms of dollar amounts or increments in the tax rate, such as 3.8 cents to 4 cents.

Ms. Palmer stated that she likes the pennies on the tax rate approach, as that goes to the heart of what they are committing themselves to be doing.

Mr. Randolph said they also need to look at the benefit end, not just the cost.

Ms. Palmer responded that she is not just focusing on the cost, but wants to express what she feels comfortable tolerating in terms of a tax increase – as the County would certainly have assessment increases during that time, and there is only so much people could expect to pay and budget for year after year.

Mr. Randolph said there seemed to be general majority agreement coming out of their March 27 work session on the value of a high school center needing to be funded, and enhanced foundation plus the high school center brought them to scenario three. He stated they would now need to work out what is in the mix for scenario three and whether other items should be added, as long as they have agreement on the foundation.

Mr. Dill said there seems to be consensus on some of the park items, so perhaps they could be added onto scenario three.

Ms. Allshouse commented that the Board's input is providing good direction, and she likes the idea of starting with some foundation, with a few options that they could bring back so the Board can have an approved CIP by April 17.

Ms. Mallek responded that the Board has made some good progress at this meeting to get them to April 17, with the understanding that it would be changed when the right information comes along. She stated that having things spread across the community, local government, and school side is very

beneficial and shows there is the same spirit with capital projects as there is with the 60/40 split for operations. Ms. Mallek said that when funding is allocated only for one facet or the other, it builds resentment and ill will, so to keep a positive spirit they need for everyone to feel they have a stake – but schools had to be the focus in 2009-12 because there was not additional cash for local government projects. She emphasized that playing catch-up was terrible, but these things need to be done all across the projects and cannot be ignored.

Mr. Gallaway requested the information from staff in a spreadsheet form, because it would be helpful if he could move projects around and have the numbers adjust accordingly. He also stated that in a previous budget work session, there was a trendline provided for debt capacity and AAA status, and he would always like to have that present.

Ms. Mallek stated this would be valuable and may cause them to stretch out the project timeline.

Mr. Dill asked if staff would proceed with the assumption the County would do the referendum. Ms. Allshouse responded that is what she is hearing.

Mr. Randolph said this is a whole other question.

Ms. Mallek stated that it is the basis of the CIP recommendation, as it said in their memo, and she is in favor of it.

Ms. Palmer, Mr. Dill, and Ms. McKeel expressed verbal agreement.

Ms. Allshouse thanked the Oversight Committee for bringing something forth that challenged the Board and staff and caused them to look at the CIP in a different way.

Mr. Gallaway said they bundled things together for consideration, but did not really do a “deep dive.”

Ms. Mallek stated it was just an example to start moving things forward.

Mr. Gallaway asked if it would be worth it to check back in with them regarding the Board’s direction. Mr. Dill responded that it is at the point the Board is making the decisions and not reconstituting that committee.

Ms. Mallek said that Mr. Henry and his staff would make the grouping better by ensuring the projects are complete, so they would be funding entire projects and not just pieces.

Mr. Gallaway noted that the rank order list would still represent what the committee felt were priorities.

Ms. Mallek agreed, stating there were some things that were pulled out for more immediate attention.

Mr. Dill said that all of the projects had been estimated, and they were not starting from scratch.

Mr. Henry explained that what the Board is asking is difficult, and he said the Oversight Committee looked at ranked projects and an approach to try to address them through doing a referendum every few years. He stated that staff worked to put into groups schools, transportation, community facilities, and public safety – with projects grouped for 2018, 2020, 2022. Mr. Henry said they could bring back slides from Oversight to show the grouping, but they would see things like libraries and other school projects for the out years, and it would be challenging because they only looked at certain aspects for the timeframe being covered. He cited an example of Northtown Trail, which would cost \$4-5 million over five or six years, and asked if the Board would want him to say they would do up to a \$3 million “near completion” phase. Mr. Henry said it is doable, but he also heard that the Board only wants to address certain items within scenario three.

Ms. Palmer stated she would love to see a high priority trail or bike path completed, regardless of what district it is in, as it would be great for the community to see something actually completed in terms of a bike/pedestrian/multi-modal pathway.

Ms. McKeel stated that the “gaps” in the system are frustrating for people, and she asked if the study would address this.

Mr. Henry responded that the funding for Northtown was anticipating the study and what they needed to fill in – and that was \$4 million.

Ms. McKeel reiterated the importance of filling in the gaps.

Ms. Palmer stated they should find out what is most reasonable that staff knows can be completed, and she likes Biscuit Run because much of it is already there.

Mr. Henry said the list of school projects is well-defined, including learning space modernization.

Ms. McKeel noted this could be explained to the public in more detail for the referendum.

Mr. Henry agreed, stating that the public safety projects are also well-defined, but other than Hedgerow the items are addressing what could be done over a few years. He said the athletic fields are mostly converting to turf because of high use and demand and is not creating new fields, but it would add significant capacity due to the new turf and lighting added.

Ms. Palmer noted that people had expressed their displeasure with the use of turf.

Mr. Henry stated that what Ms. Allshouse presented are “stepping stones.”

Ms. Allshouse clarified that it is how the questions might be asked, and they could ask the questions in a way such as “\$7.2 million of community facilities and green space,” without it being more specific – or they could have a very specific project listed. She emphasized that this could provide both flexibility and specificity.

Ms. Allshouse asked if it could be specific or could be general parks and recreation projects.

Mr. Kamptner responded that it could be more general if desired, and in 2016 there was consideration as to whether the Woodbrook project should be in its own question separate from the other modernization projects, and the decision was to ask those two projects in a single question.

Mr. Randolph stated they could be specific with regard to what is entailed. He said in looking at trails, he would urge the Board not to do anything until Bob Crickenberger’s Parks and Recreation report comes back, and they are better off waiting and then figuring out how to approach those projects. He stated he would like to see what the final package would look like, but is not comfortable in signing off on a referendum until he sees what is going to be included in it.

Ms. McKeel said that in fairness to staff for them to put the time in, they need to know whether the Board is interested in doing a referendum.

Mr. Randolph stated it would be helpful to know different scenarios, and the voters are looking to the Board to have a clear set of alternatives and options, and to stand by their decisions with solid rationale.

Ms. Palmer said she is advocating for a general question related to parks and trails, with a future discussion on what can actually be completed over the next few years.

Ms. McKeel stated the Parks and Recreation report is coming back in June, and asked if this gives them time to make that decision.

Mr. Doug Walker stated there would be enough information in the most recent update from Parks and Recreation to provide guidance on the types of projects that would be compelling, and that will happen in June. He pointed out that he feels the Board would have enough information for them to determine what their highest priority needs are, without the benefit of a final report.

Mr. Kamptner stated they should be able to hold to the recommended referendum calendar, and he is recommending a June 13 date for the Board to take its action and start the court process.

Ms. Mallek said that having the scenario information is important in ensuring they are meeting their end-of-five-year goals and are staying above the \$2 million at the end, but support for phases one, two, three, etc. was based upon the referendum – so she is not willing to separate support for the CIP with an arbitrary decision of whether to include it in the referendum, adding that it represents \$198 million in total investment. She added that they do not have all the details now, but waiting for the scenarios before deciding on the referendum is troubling to her, and she would rather proceed on parallel tracks and view this as a package deal. Ms. Mallek stated that the later phases may be delayed for financial reasons, but it is better to her to proceed with priorities rather than scramble them up within scenarios.

Ms. Allshouse clarified that they would start with scenario three, then do some modeling on it by adding in some other quality of life items from the \$39 million, show the Board resource and tax implications for those, and offer a menu possibly with several scenarios to start looking at the specific projects.

Mr. Richardson stated that the only other thing to consider is the timing, with staff working to bring this back to the Board prior to April 17. He stated there is a public hearing on the FY19 budget on April 10 and a work session on April 11, at which time they will have to see if there is any time on the agenda to continue this discussion.

Mr. Henry asked Ms. Allshouse to revisit the slide of resources pertaining to scenarios, and stated it may be helpful for the Board to provide an “upper limit” for extra pennies on the tax rate. He said that a second approach would be to name specific projects and see how much they want to allocate. Mr. Gallaway responded that they should ballpark number three.

Mr. Randolph and Ms. McKeel agreed.

Ms. Palmer agreed, adding that they are going to consider some extra for parks, etc. – but it seems Mr. Henry is asking how much extra.

Ms. Mallek suggested a \$5-million parks and greenspace block, which is about 2/3 of what was proposed under another scenario.

Mr. Henry stated that scenario three includes high school center one, which is potentially 3.8 cents, and if they are going to bring something else in from scenarios four or five, that need would go higher – and he wants to know how much higher.

Mr. Gallaway said that 4.3 cents is probably within the range.

Mr. Randolph agreed.

Ms. Palmer said she would like to stay a bit under, but agreed that 4.3 cents is acceptable.

Other Board members agreed.

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

Ms. Mallek said that Mr. Randolph had raised a point earlier and asked the Board if there is any agreement on his proposal.

Mr. Randolph clarified that he is not expecting staff to have alternatives ready on April 11, but sees this as a way for Board members to see alternatives that could enhance the effectiveness and legitimacy, as well as political support, for the rural stormwater utility fee. He said if they reach agreement on April 11 that it cannot be revised, he would like to put it to bed and move on with an understanding that this would need to be funded through the general governmental budget and not part of a stormwater utility fee. Mr. Randolph commented that this would put them in a better place for discussion and the public is looking for them to signal that this is what they are prepared to do.

Ms. Mallek said she thinks they are already going to be discussing this on April 11, with updates from Greg Harper as well as feedback from individuals.

Mr. Dill asked if they want to make this decision now.

Mr. Randolph responded that it could be a long discussion and he was not anticipating that they would have that discussion now, and he is trying to send a message to the public that the Board is having a work session to explore different approaches and ensure greater equality between rural, suburban, and planned residential development.

Ms. Palmer stated that she understood them to be doing this on their own, so it is helpful to signal to the public that what they have seen thus far does not work – and they agreed with some of what they have heard from the public. She emphasized that what has been presented to the Board thus far needs more work.

Ms. McKeel said there is also need in the development areas, and she would like to see the list of stormwater projects at some point. She stated that she is trying to avoid pitting the rural area against the development area, and the people in the rural areas feels they are paying for something, but not receiving benefit. Ms. McKeel emphasized that there is a lot of old infrastructure in the urban ring that needs attention, and if they can discuss other options it would help assuage constituent concerns. She said there must be appreciation that these areas are different.

Mr. Letteri responded that they can discuss different approaches on April 11, then allow staff some time to further develop those options.

Ms. McKeel agreed, adding that the challenge is that it is in the midst of the budget cycle.

Ms. Mallek pointed out that these are things discussed by constituents with the Board already, and no one is against doing things methodically to prevent cataclysmic mistakes – but the question is how to go about it, with the understanding that it is beneficial for the community as a whole. She stressed that the core issue is that it became so complicated, it is incomprehensible to much of the public – and staff has done exactly what they were required to do along the way. Ms. Mallek said the people who came to her meetings, which totaled about 225, understood that this is a work session and discussion and not a vote.

Mr. Dill said he does not understand why this is being dragged out so much, as everyone seems to agree that they do not need a stormwater utility, but do need to fund specific projects.

Ms. Mallek stated they would likely get to that decision on April 11, and whatever comes out will be fine.

Mr. Richardson said that Ms. Allshouse has a slide representing what is in the FY19 budget for stormwater, so if the Board approves the capital budget for FY19, that will dedicate about \$1.6 million to water resources infrastructure. He stated that staff is prepared to come back to the Board on April 11, following the last 4-6 weeks of public input, with examples of how the program would work with utility fees both in rural and development areas of the County. Mr. Richardson noted that he is understanding the Board to say they do not want to discuss how the utility was designed, but do want to discuss the urban

infrastructure and related projects and issues, along with a general discussion of options to be considered as they go forward.

Ms. Palmer said it would be helpful for Mr. Harper to review the slides he presented during the Board's individual meetings, so the public will understand why the Board decided that it was not feasible to take an urban model and implement it in the rural area. She emphasized that staff knows it would not work, and the public would probably like to see that rationale.

Ms. McKeel noted that the public had come into the discussion in the middle and had not received that information.

Mr. Richardson said that staff can provide a brief history and how the Board came to the point of discussing the formation of a utility and the fee structure, but would not move through a detailed work session on implementation. He said it seems that this should happen prior to embarking on the planned spring/summer public information campaign.

Board members agreed.

Ms. Mallek stated that throughout the conversations, constituents pointed out how wonderful the staff had been to work with, with Mr. Harper taking time to explain to individual landowners what the impact would be.

Mr. Dill said that even if they do not do a stormwater utility, they learned a lot about water resources and what needs to be done – which is valuable.

Ms. Mallek noted that they would likely have to address future state and federal regulations, so everything from this process will help in that regard.

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

Mr. Richardson indicated that he did not have anything to report at this time.

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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.

At 5:56 p.m., Ms. Mallek adjourned the Board meeting.

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Chairman

Approved by Board
Date 08/01/2018
Initials CKB