

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 28, 2019, at 1:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from February 26, 2019.

PRESENT: Mr. Norman G. Dill, Mr. Ned Gallaway (arrived at 2:36 p.m.), 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.

STAFF PRESENT: Deputy County Executive, Doug Walker, Assistant County Executive, Trevor Henry, Director, Office of Management and Budget, Lori Allshouse, Senior Budget Analyst, Laura Vinzant, Budget Manager, Andy Bowman, Grants and Budget Analyst, Holly Bittle, Senior Budget Analyst, Tia Mitchell, and Chief Financial Officer, Bill Letteri.

Agenda Item No. 1. Call to Order. The meeting was called to order at 1:01 p.m., by the Vice-Chair, Mr. Randolph.

Agenda Item No. 2. Closed Meeting.

At 1:01 p.m., Mr. Dill **moved** that the Board go into a Closed Meeting, pursuant to Section 2.2-3711(A) of the Code of Virginia:

- Under Subsection (3), to discuss and consider the acquisition of real property for a public purpose in the Crozet area, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Board; and
- Under Subsection (6), to discuss and consider the investment of public funds where bargaining is involved where, if made public initially, would adversely affect the financial interest of the County. The investment of public funds being considered are for:
 1. infrastructure improvements in Crozet; and
 2. an affordable housing project in the northern portion of the Scottsville Magisterial District; and
 3. additional emergency services in the Scottsville Magisterial District; and
- Under Subsection (7), to consult with legal counsel and briefings by staff members pertaining to actual litigation between the Board and the Charlottesville City Council regarding the Ragged Mountain Reservoir where consultation or briefing in an open meeting would adversely affect the negotiating or litigating posture of the County and the Board; and
- Under Subsection (8), to consult with and be briefed by legal counsel and staff regarding specific legal matters requiring legal advice relating to the terms of a possible agreement with a volunteer rescue squad.

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 and Mr. Dill.

NAYS: None.

ABSENT: Mr. Gallaway (**arrived during the Closed Meeting at 2:36 p.m.**)

Agenda Item No. 3. Certify Closed Meeting.

At 3:03 p.m., the Board reconvened into open meeting, Mr. Gallaway assumed the roll of Chair and called the meeting back to order.

Mr. Dill **moved** that the Board certify by recorded vote that to the best of each Supervisor's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting.

The motion was **seconded** by Ms. Mallek. Roll was called and the motion carried by the following recorded vote:

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

NAYS: None.

Mr. Gallaway introduced Board staff and the presiding security officers, Lt. Terri Walls and Officer Peter Schellinger. Board members, followed by County staff, introduced themselves.

Agenda Item No. 4. **Work Session:** FY 2019-2020 Operating and Capital Budget.

- Revenue update
- Brief overview of changes associated with the following expenditure categories:
 - Health and Welfare (pgs. 121 - 136)
 - Parks, Recreation and Culture (pgs. 137 - 145)
 - Community Development (pgs. 147 - 158)
 - Non-Departmental (pgs. 159 - 171)
 - Other Funds (pgs. 173 - 189)
- Begin to Review Board "List" Items.

Ms. Allshouse recognized that several staff members from various agencies were present to answer questions at this third budget work session. She then reviewed the agenda for today's work session, and reminded Board members that the next meeting was scheduled for March 4, at which time they would finalize the tax rate for advertisement and approve the Board's proposed budget. She noted that additional work sessions could be scheduled, if needed, and the public hearing on the proposed budget and tax rate would be held April 9, followed by the setting of the tax rate and budget at the April 16 meeting.

Mr. Steve Allshouse, Manager of Economic Analysis and Forecasting, Department of Finance presented. He stated that a year ago he met with Board members to discuss and update the General Fund revenues forecast for FY19. He noted that at that time, they did not want to touch state and federal figures because things were still up in the air. He said he has replicated an analysis of what they talked about last year and used the same year-over-year methodology, which compares revenues to date for FY19 with those from FY18. He said he might make the assumption that they would end FY19 at 5% over FY18. He explained that if he saw revenues ahead of or behind what they projected in December, he could make an adjustment to the FY20 forecast. He recalled that last year, they ended up with around \$900,000 more than had been projected a few months prior, though this year he was not finding this to be the case. He recommended that they keep the FY20 forecast as it was, though if he saw anything that might change this, he would bring it to the Board's attention. He invited questions and comments.

Mr. Letteri suggested that Mr. Allshouse share what a couple of the categories of concern might have been and what numbers he might then project.

Mr. Allshouse remarked that there was variance, with some numbers higher and some lower than what has been projected a few months earlier. He noted that he has his antenna up for two categories in particular: sales tax and food & beverage tax revenues. He said that sales tax was coming in less than expected, though he was still projecting they would finish FY19 ahead of FY18. He emphasized that there was a degree of variability with these tax revenues, and things could change overnight.

Mr. Bowman presented the policy consideration questions that were posed at Tuesday's budget work session:

- Did the Board desire additional funding for any unfunded requests not included in the FY20 Recommended Budget? (This may include departmental requests, positions, community agencies, etc. If so, staff would develop options for the Board's consideration)
- Did the Board desire to consider removing funding for any items included in the FY20 Recommended Budget?

Mr. Walker presented on **Health and Welfare**. He presented a slide that indicated the budget for this category was \$21.9 million, a 2.9% or \$619,000 increase. The slide contained a pie chart with funding percentages for several departments: Department of Social Services (68%), Transfer to Children's Services Act Fund (9%), Other Health and Welfare Agencies (7%), Transfer to Bright Stars Fund (5%), Tax Relief for Elderly and Disabled (5%), Region Ten (5%), and Health Department (3%).

Mr. Walker then presented the following information:

Notable Changes: Health and Welfare

Department of Social Services

- Continues 6 Medicaid expansion positions approved in FY19, funded 84.5% by State and federal revenue
- Assistant Director position: \$111,000, funded 32% by federal revenue
- GO Workforce training funding: \$20,000 increase

Children's Services Act Fund

- General Fund transfer was a \$298,000 or 13.6% decrease

Tax Relief for the Elderly & Disabled

- \$70,000 or 7.4% increase

Ms. Mallek asked if they were at the statutory cap on tax relief. Mr. Kamptner said he believes they are.

Ms. Phyllis Savides, Director of Social Services, addressed the Board. She said her impression from sitting in on Board meetings was that there was a keen interest in affordable housing, and she

advocated that Department of Social Services be a part of that. She said that DSS has issued 44 new housing vouchers since July 2018, of which 21 families were currently under lease. She stated that they would not be able to expand the number of vouchers without adequate staff to manage them. She explained that they are able to make these vouchers available by making use of unspent funds. Ms. Savides stated that with increased staff, they would be in the position to pursue additional HUD grant opportunities through targeted vouchers, such as families with disabled individuals, and noted that they have an unfunded request for a housing generalist. She remarked that the addition of a housing specialist could make the entire way the County addresses affordable housing more robust and allow more options for residents.

Ms. Palmer remarked that it was difficult to find places that would accept vouchers and asked her to address the local situation. Ms. Savides agreed that there are landlords hesitant to accept vouchers, though her staff has developed strong relationships with landlords and the community. She noted that vouchers are portable and not restricted to Albemarle County. She noted that some receive utility assistance, which makes it even easier for a family to sustain that.

Ms. Palmer asked if the additional staff person would help voucher recipients obtain housing. Ms. Savides explained that the additional staff member would enable the staff to add more vouchers as the administration of vouchers was a labor-intensive process to assess eligibility, process the application, work with the landlord, setting up the payment process, and handling periodic renewals.

Ms. McKeel asked if the unfunded position was for a senior housing specialist. Ms. Savides confirmed this, though she said it does not have to be, as her goal was to add capacity at the level of the two other generalists.

Mr. Dill asked what the dynamic was with vouchers and wondered if they were creating new housing. Ms. Savides responded that this does not solve the whole problem but adds to the number of strategies the County wants to take on to address the issue. She said that a voucher recipient could use the voucher for an existing residence or for a new one developed by the County and has a choice as to the type of housing.

Ms. Mallek asked if the potential case manager would be able to better navigate the process for families going into a new residency. Ms. Savides confirmed this, stating that housing choice vouchers would be offered to eligible families.

Mr. Randolph remarked that it might be appropriate to have a broader discussion about affordable housing. He said that they could have an increasing number of disabled veterans who are looking to be in the voucher program, which the County has not factored into the criteria for development of affordable housing. He said it would be productive to have Ms. Savides be a part of that discussion to help formulate a clear idea of what an overall housing strategy entail. Ms. Savides responded that she would welcome that.

Ms. Mallek remarked that she had assumed there was a long waiting list for housing and was glad to hear that there was hope for something now.

Ms. Savides said she was very excited to hear that for the first time in a long time, they have been able to take people off the waitlist.

Ms. Palmer asked about the cost of the position. Ms. Savides responded that she would bet back to the Board.

Mr. Dill asked if a housing provider could offer housing to a person or if they have to use the waiting list. Ms. Savides responded that they go according to the waitlist. She said the Family Unification Program, an exception to the waitlist, she was trying to reinstate would allow those eligible to move to the top of the list. She explained that these are families with a child at risk of going into foster care and/or the child was already in care and they need to reunify.

Ms. McKeel recalled that years ago, she saw a study conducted for the County pertaining to vouchers and affordable housing, with many of the units grouped into one or two areas. She asked if they have landlords in apartment buildings across the County that accept vouchers or if they are mostly within a small area. She said she had heard that some landlords would not accept vouchers and that access to public transit was also an issue. She asked if a map that shows where voucher recipients live could be developed. Ms. Savides said she could get back with Ms. McKeel with specific detail, although she knows they have vouchers that have been accepted in Crozet and Scottsville as well as in the urban ring.

Mr. Gallaway asked for the total cost of the position. Mr. Bowman responded that for a senior position, including benefits, was approximately \$72,000.

Mr. Gallaway asked how the addition of a new position would help DSS in terms of work and processing capacity. Ms. Savides said she could get back with that information. She added that the two existing workers handles the 44 additional vouchers, and they currently serve around 400.

Mr. Walker stated that they have worked to prioritize the assistant director position as a need and noted that the Board has been intentional in its support of eligibility and program staff. He said that a long-serving deputy director recently retired, which provides an opportunity for a restructuring of the leadership and enables Ms. Savides to work on relationships with agencies that provide services within the County

and larger region. He commented that this would be one step of many needed to provide the leadership capacity to enable the County to fulfill their human services model. He invited Ms. Savides to provide further comments.

Ms. Savides added that as the work has become more complex, so has the management of it, and her attempt in the restructuring was to provide more hands-on assistance, coaching, and monitoring of managers. The current model does not allow for intense support in management and programmatic supervision with managers, and this would allow that to happen in a more robust way. She added that there was also an acute need in the department for a fraud investigator, as they only have one. She said that the state model suggests one investigator for every seven investigations, and the current investigator was working on 30 cases. She continued that accompanying Medicaid expansion are increases in SNAP and TANF, which increases the number of fraud cases.

Mr. Dill asked if investigations pay for themselves with fraud detection directly benefiting the County financially. Ms. Savides responded that they do not get the collections directly back to their budget, though there may be a way the County get it through the Fraud Free Plan when it receives its base allocation at the beginning of the year.

Ms. Palmer said that she understands that some states pay for fraud investigators. Ms. Savides explained that they could receive 32% federal revenue if they approve the hiring of a new investigator. She said the current position was part of their base budget, with a 15.5% local match and the rest consisting of state and federal funding.

Ms. Palmer asked if a portion of the funding for a housing specialist was paid for by the state. Ms. Savides responded that housing was under the Department of Housing and Urban Development (HUD). She said they do get some administrative monies from HUD, although she does not know the exact amount.

Ms. McKeel remarked that they could place these two positions on their follow up list, pending further clarification of the numbers.

Mr. Bowman commented that the net cost to add a second fraud investigator was around \$54,000, after factoring in state revenue.

Mr. Walker said they could explore whether they get additional administrative support from HUD for additional positions or whether it was tied to vouchers.

Ms. Savides clarified that it was her understanding it was tied to the number of vouchers, and with DSS positions it was tied to the position.

Mr. Kamptner commented that he would like to give a better explanation to the question as to whether they are reaching the limit on tax relief for the elderly and disabled. He said they are near the top of all Virginia localities that give relief, with the exception of a few northern Virginia counties.

Ms. Mallek remarked that land and housing exclusion was an important element. She was concerned about how to keep low income, elderly residents in houses they have been in for many years.

Ms. Palmer stated she previously asked Mr. Kamptner's predecessor about the subject of tax relief, and he confirmed via email in 2014 that Albemarle County had reached its limit. Mr. Kamptner remarked that the tax rates in which he was currently speaking were from 2017. He added, that although the results were difficult to quantify based on income and net worth, there is still a pattern of Albemarle County being at the top of its tax relief benefits.

Ms. Allshouse continued the presentation with a review of the **Agency Budget Review Team (ABRT)** Process. She stated that Ms. Kathy Ralston was hired as a temporary employee to oversee the ABRT process. She explained that for FY20, the review process was County-only, has new team members, and was streamlined with no site visits and limited technical assistance; agency programs that have been rated as exemplary for the past two years were reviewed by staff and not the ABRT review team. She explained that what remained the same was the application, scoring matrix and ratings, orientation provided for agencies, general timeline, and ABRT-provided ratings and funding recommendations were made by staff in the context of the overall budget development process.

Ms. Allshouse explained that agencies rated as "exemplary" received up to a 3% increase, which increases the overall contribution by \$26,000. She said that those rated as "solid" received level funding, and those rated as "fair" for two consecutive years had funding eliminated, although no agencies received a rating below "solid." For new and expanded program requests, those rated as "exemplary" were recommended for FY20 funding. She noted that this consisted of five new programs for a total of \$80,000. She said funding was not recommended for those rated as "solid" or below, although these are still great agencies doing great things. She concluded that the total recommended increase in ABRT contributions was \$106,000.

Ms. Allshouse then provided a review of the following slide with a chart of ABRT: New & Expanded Programs for Recommended Funding as follows:

ABRT %	Program	Request	Recommended	Projected County Beneficiaries
21	Georgia's Healing House	\$25,000	\$24,560	26
27	Light House Studio Community Programs	\$20,000	\$16,647	1,200
37	On Our Own Peer Resource & Recovery Center	\$20,000	\$13,179	220
42	Piedmont Housing Alliance, Affordable Housing Management & Development	\$25,000	\$25,000	323
51	TJ Area Coalition for The Homeless/PACEM	\$8,600	\$947	20

She noted that these agencies provide benefits for both the City, County, and others, and that the right-side column represents the number of projected County beneficiaries. She explained that the City contributes to all of these programs, while the County did not, and so her office came up with the same dollar contribution per beneficiary as the City to calculate the County contribution. She said the Board could choose a different way to do this. She invited Ms. Ralston to address the Board.

Ms. Kathy Ralston addressed the Board. She said things have gone very well, and it was a new team that worked extraordinarily hard, were diligent and responsible, received a good understanding about what the agencies did in the community, and learned how the County make difficult decisions. She mentioned that some of the team members have asked to return next year.

Mr. Dill asked what her general sense was of having the County contract with agencies to provide social services versus the County doing this work itself. He asked if there was some combination that was the most efficient. Ms. Ralston remarked that it was definitely a combination and there are things nonprofits could do in the community that government staff could not or do not do as well. She continued that if the County does not work with nonprofits, it would have to hire many more staff members.

Ms. Savides added that Social Services was bound by a lot of regulations and mandates, nonprofits could step in further to those areas or help where the County could not, and they are close partnerships so that folks could get a lot more than what DSS could give.

Ms. Mallek asked if the Light House Studio program would really be able to serve 1,200 people or if this was a typo. Ms. Ralston responded that she thinks some of these are workshops.

Ms. Mallek asked what the Piedmont Housing Alliance Program does. Mr. Ron White, Chief of Housing, commented that PHA has committed to buying the Parks Edge property from AHIP. He noted that PHA manages a number of properties in the County and for years have applied through ABRT to receive money from the County, and they have received a solid but not exemplary score. He said his office views the management as something PHA should be recovering through management fees they collect from each project. He continued that in addition to the 120 units they previously had, they have taken on Woods Edge senior apartments and Park View and now manages 320 units, which was more than they managed in the City, with the City having been giving them \$26,000 annually for the last several years. He said that in keeping with the idea of matching the City's contribution, it was a reasonable time to fund this request.

Ms. Mallek remarked that managing properties was different from conducting classes for people, which was what she thought. Mr. White responded that this was one of the things they did differently from what a for-profit property manager would do, as they have a bundle of services they could provide.

Ms. McKeel noted that PHA has been under new leadership for the past two years. Mr. White confirmed this and commented that their direction has changed from the entrepreneurial development of properties to that of acquiring, preserving, and managing properties.

Mr. Gallaway commented that Georgia's Healing House has an exemplary rating although he does not believe they provide more than 30–35 beds or rooms. He said that it was a matter of availability for those who benefit, with jail as the alternative. The cost avoidance to have more opportunities like this from the little bit of money is quite a return on the investment.

Ms. Mallek recognized the On Our Own as a program that fills many gaps, as some residents do not have a phone or transportation and could not get to Ms. Savides' office to fill out a form. She thanked Kathy Richardson for trying to make these connections through the program.

Ms. McKeel remarked that she heard there were over 700 nonprofits in the community and often wonders if there was overlap and potential for combining their work. She asked Ms. Ralston if she ever saw opportunities for nonprofits to become stronger by working together.

Ms. Ralston recounted how the City and County had a Commission on Children and Families that conducted a study like this for children's services agencies and found some overlap but not a significant amount. She said the County Executive's office and City Manager's office recognized a bit of overlap with the Home Visiting Collaborative and asked them to work together more, which they did, and found that the overlap was actually good because the families were so challenged. She said she suspects this was still going on. She agrees there might be agencies that could benefit from some consolidation and this was a reasonable question to ask, but it would require a study.

Mr. Dill remarked that when someone wants to start a nonprofit, the Center for Nonprofit Excellence tries to determine who was already doing the same type of work to see if there was opportunity for collaboration.

Ms. Ralston commented that sometimes this was stymied by the funding streams and the outcomes these streams expect.

Mr. Randolph recounted his experience in Poughkeepsie, NY, following the demise of IBM. He said it was a huge undertaking to try to get nonprofits to agree to take the lead on certain services and not duplicate. He said they had to have coordination among all the funders, family foundations, and the United Way to require nonprofits to clarify their niches. He said he has not found duplication in Albemarle since he arrived, with the exception of three river-based organizations, two of which have since merged.

Ms. Allshouse continued with the proposed budget for **Parks, Recreation & Culture**. She presented a slide that indicated the budget was \$9.1 million, a 6.5% or \$556,000 increase. A pie chart listed budget categories: Jefferson-Madison Regional Library (51%), Parks and Recreation Department (37%), Charlottesville-Albemarle Convention and Visitors Bureau (9%), Darden Towe Memorial Park (2%), and Other Agency Contributions (1%). She said the library system was proposed to have a 2.7% increase, including the addition of two part-time positions at Crozet and Scottsville libraries to address work volume. She said the CACVB was proposed to have a \$14,000 increase by agreement, and the County would be the fiscal agent effective January 1, 2019. She next focused on cultural agencies and festivals, noting that these agencies were not reviewed by the ABRT team but by a County staff team led by Ms. Bittle, of OMB, Parks and Recreation, Economic Development, and the Office of Equity and Inclusion. She said that the total contribution was \$51,000, an increase of \$6,000, with one program added for the Jefferson School African-American Heritage Center's Education Program at a cost of \$10,000.

Mr. Henry reviewed changes proposed for the Department of Parks and Recreation and recognized Ms. Amy Smith, Assistant Director, who was available to answer questions. He reminded the Board that the Recreation Needs Assessment identified a need to increase staffing by 10 positions, based on industry standards and levels of service, which consists of seven maintenance and three administrative staff. He said the Board chipped away at this by authorizing the addition of one position in both FY18 and FY19. He said that for FY20, his office recommended the addition of a Facilities Maintenance Supervisor at a cost of \$118,000 and a Park and Greenbelt Planner at \$83,000. Mr. Henry stated that the planner would be critical in bringing new parks online. He said they have had difficulty retaining lifeguards for the entire summer, and in talking with Human Resources have decided to raise the hourly pay rate and conduct more recruiting efforts. He said they have budgeted \$50,000 for weekly water testing, monitoring and treatment, and budgeted \$30,000 for the Humphris Park master plan.

Mr. Randolph asked where they would store the Ditch Witch brush cutter machinery. Ms. Smith responded that it would be with the trail's maintenance staff. She noted that there was a small error in that it was for a Bobcat and not a Ditch Witch. She explained that staff stands on the back of the machinery, which includes attachments to do different things on the trail and saves lots of time over doing things by hand.

Mr. Walker reviewed the category of **Community Development** and presented a slide showing this category budgeted at \$10.6 million, a 5.8% or \$586,000 increase. A pie chart demonstrated the portions of the budget made up by several categories: Department of Community Development (55%), Transit Agencies (30%), Other Community Development Agencies (9%), and Economic Development Services (6%). He provided examples of the underlying community development agencies: Virginia Cooperative Extension, Thomas Jefferson Planning District Commission, Thomas Jefferson Soil and Water Conservation District, PHA, AHIP, and Rivanna Conservation Alliance StreamWatch. He listed notable changes: Zoning Compliance position (\$85,000), Deputy Director (\$143,000), and a supplement to the state water quality and stream health program, which was funded by the Water Resource Fund (\$32,000). He explained that the Deputy Director would add leadership capacity within the department and assist in compliance coordination across multiple divisions. He noted that existing directors have both direct technical responsibilities within their agencies or divisions in addition to their management functions. He said they also anticipate that this deputy director would implement strategic plan customer service, process improvement, and performance management initiatives.

Mr. Randolph stated that Mr. Mark Graham had announced he would retire this summer and asked if they would first search for a Director of Community Development and then allow this new director to be involved in the search for a deputy director or seek to fill both positions simultaneously. Mr. Walker responded that the job descriptions are being developed simultaneously, and they are in the formative

stages of recruitment and a national search for a new director. The Board's decision to authorize or not authorize a deputy director position would impact the job description and responsibility of the director position. He said they have to bring them both forward at the same time.

Mr. Randolph expressed an understanding of Mr. Walker's rationale but said he hopes the hiring of a director precedes that of the deputy director to allow the director to provide input in the hiring of his/her deputy, in an effort to avoid a situation of poor chemistry between the two.

Ms. Palmer remarked that she does not understand where the capacity was in the budget for rezoning of the Route 29 North Small Area Plan or form-based code economic development aspects of planning. Mr. Walker explained that this was embedded in the department, and a resolution of intent to initiate the form-based code aspects of the Rio Road/Route 29 Small Area Plan would come before the Board soon.

Ms. Palmer reiterated her concern regarding the Board's capacity to oversee this funding. Mr. Mark Graham, Director of Community Development, explained that this was allocated in the work program and confirmed that a resolution of intent that includes a project schedule with a public engagement plan would come before the Board on March 10. He said they had the capacity to deliver the product in December, and it was a draft of the form-based code that could include either a zoning overlay or a rezoning of that area to match the form-based code.

Ms. Mallek recalled that last night someone mentioned they had perceived a decrease in the water resources effort; she suspects it may be a result of a shift of money and would like to get an answer. Mr. Bowman responded that there was funding in Community Development that comes in from the water resources fund to offset costs such as this program and staffing costs in that department. He said it may be the case that if fees related to services were up, the money coming in from the water resources fund was down.

Mr. Graham said there would be no change for the resource side of Community Development from prior years.

Mr. Bowman referred to Page 150, noting that the line above the transfer from water resources came into Community Development and above that line was local non-tax revenue, which includes permits, fees and a combination of things. He said that if those perceived fees were up 30% in total, he would expect a portion of that to explain this.

Mr. Walker next presented the budget category of **Economic Development**. He said that staff proposes to transfer \$3.2 million to the Economic Development Fund in FY19, noting that the Office of Economic Development operating costs were aligned with its approved strategic plan, and an increase of \$143,000 was proposed. He said this increase would include \$60,000 to support potential site readiness activities, \$44,000 for a community partnership with Charlottesville Business Innovation Council, and \$30,000 in contract services for rural agribusiness valuation and additional analyses by the Weldon Cooper Center.

Mr. Gallaway recognized that there was a part-time position and an unfunded request for an internship position, and he wondered if it makes sense to hire a full-time person. He asked to see the cost estimates for these two positions and compare them to what it would cost to establish a full-time position. Mr. Walker responded that part-time staff would support specific projects. He stated that there was a funded project manager position that would be filled the following week, as they have been awaiting adoption of Project ENABLE and the director would know how best to fill the position to implement the plan. He said they are also utilizing part-time support from a retired employee for administrative services in lieu of the office associate position.

Mr. Randolph asked what the County's return on investment was from the Central Virginia Small Business Partnership for Economic Development and the Central Virginia Small Business Development Council. Mr. Roger Johnson, Director of Economic Development, explained that with Project ENABLE, they have decided not to duplicate ongoing existing efforts in the community to support small business. He said the Small Business Development Center (SBDC), led by Ms. Betty Hogue and located at the UVA Research Park, fills a gap within the community by counseling small businesses that are not primary businesses, such as a doctor's office, dry cleaners, or restaurants. He explained that the Central Virginia Partnership for Economic Development (CVPED) serves as an intermediary between local economic development organizations and the Virginia Economic Development Partnership (VEDP), so that a new domestic or international business that wants to relocate to Virginia fall into the VEDP and ultimately through the CVPED, which manages 10 counties. He said his office responds to these requests to let them know what buildings or sites may be available. They also provide two other services for the County: connectivity to the GO Virginia state grants for local economic development and marketing of the region. He said he does not know the actual ROI, but these are the services they provide in exchange for the funding the County gives them.

Ms. Palmer remarked that she recently read a JLARC study that examined the management issues within economic development partnerships, and she asked Mr. Johnson to comment as to whether he believes there was anything related to this that should be addressed. Mr. Johnson responded that he was not familiar with this JLARC report.

Mr. Kamptner commented that it may have been the JLARC report on VEDP. He said he thought it was the fallout in the Appomattox area of the investment with a foreign investor.

Mr. Johnson noted that VEDP has hired a new Executive Director, Mr. Steven Moret, who was in the process of completing action items to clean that up.

Mr. Bowman presented on transit agencies: **JAUNT, CAT, and the Regional Transit Partnership**. He noted that staff has organized the budget presentation for all three agencies on Page 156. He said the recommended budget includes a \$216,000 increase for JAUNT, consisting of \$157,000 for current services and \$59,000 for the County's share of two additional positions. He explained that these positions would support workload issues, as routes have been added in recent years, as well as to position JAUNT to perform better in accordance with state metrics. He emphasized that there have been two updates to the amounts requested: 1) JAUNT has identified a \$23,000 decrease from its original request and 2) revised the cost of the unfunded Crozet Connector Route to \$103,000. He explained that in the original request, there was a match in place to draw state and federal funding – but in the current year they have identified where the \$23,000 could come from, so this would be removed from the request and could be reallocated as the Board chooses. He explained that the Crozet Connex Route had originally been projected at \$132,000, but additional planning led JAUNT to revise the estimate down to \$103,000. He noted that if the Board were to apply the \$23,000 in savings to this item, it could bring the cost down to \$80,000. He stated that the budget request was evolving as JAUNT pursued additional grants.

Ms. Mallek commented that the Crozet commuter route has been in process development for about a year and a half, and there was a large contingent of people who could not wait. She asked if they could possibly incorporate this into other JAUNT routes and asked Mr. Brad Sheffield to further clarify this.

Mr. Brad Sheffield, Executive Director, JAUNT, explained that they would not push for a third position, as some recent changes in the area might offer a better opportunity to tackle this so it was not as critical as he once thought it would be. He said that state performance metrics trickled down to all of the drivers, and the addition of a supervisor would help them to perform better. He explained that the \$23,000 decrease was because they were able to find other unencumbered funds from a previous underspent capital effort and thus were able to move these funds over. He explained that the revised estimate for the Crozet connector was due to the expectation that some riders would shift from other routes, and this would free up the local match to put into the commuter route. He explained that the grant opportunity was an 80% local/20% state match demonstration grant from the Department of Rail and Public Transportation, and it was a long shot that they would obtain this, but if they do they would not need any of the \$103,000. He suggested that they put this money aside as contingency until mid-April when they would learn if they would receive the demonstration grant.

Ms. Mallek asked if they would be ready to proceed should they receive the grant. Mr. Sheffield responded that they already have the vehicles, and he would set up some public meetings to determine what alignment would work best and be able to launch the program on August 1. He noted that they have new technology for bus tracking and a pay-by-phone system coming soon.

Ms. McKeel asked for confirmation from Mr. Sheffield that he was comfortable with two new positions. Mr. Sheffield confirmed this.

Mr. Bowman reported that they propose to increase funding for the Regional Transit Partnership by \$25,000 in order to support increased activity and consulting expertise. He informed the Board that a new methodology of allocating costs to the County would allow them to reduce the contribution to Charlottesville Area Transit (CAT) by \$135,000, while providing the same level of service. He said that under the new model, CAT took all of its operating costs and revenues to calculate the cost per hour to run a bus route, which was applied to the County or City based on the percentage of time the bus was in each jurisdiction.

Ms. McKeel remarked that the new transit formula was easier and more transparent, and she was very pleased with it.

Ms. Mallek wondered if they could establish a transit pot so that funds that were removed from one section could be moved to another.

Ms. McKeel agreed with Ms. Mallek's suggestion.

Ms. Palmer commented that the new formula was similar to the cost-sharing formula RSWA had with the City and County.

Mr. Bowman presented on the **Non-Departmental** category of the budget and a slide with a pie chart that listed the portions represented by sub-categories: Transfers to School Division (73%), Transfers to CIP/Debt (14%), Revenue Sharing (8%), Capital (3%), and Other Use of Funds (2%).

Ms. Mallek remarked that constituents have asked that the budget document include the revenue sharing formula.

Ms. McKeel agreed that it would be helpful to provide a breakdown of the budget revenue sharing formula.

Mr. Bowman presented and summarized the next slide with a list of uses of **Other Funds**, included on Page 173:

- Computer Maintenance and Replacement
- Albemarle Broadband Authority
- Commonwealth's Attorney's Commission
- Victim Witness Grant
- Regional Firearms Training Center – Operations and Capital
- Criminal Justice Grant
- Water Resources
- Courthouse Maintenance
- Old Crozet School
- Vehicle Replacement
- Martha Jefferson Health Grant
- Housing Assistance
- General Fund School Reserve
- CACVB
- Proffers
- EDA
- Economic Development Fund
- Housing Fund

(Note: Ms. Palmer left the meeting at 4:48 p.m. and returned at 4:49 p.m. The Board recessed its meeting at 4:49 p.m. and reconvened at 5:01 p.m.)

Mr. Richardson invited Board discussion and guidance and reminded the Board that it would set the tax rate for advertisement at the March 4 meeting.

Ms. Palmer and Ms. McKeel asked if they should have a discussion around Ms. Savides' request to add two DSS positions. Mr. Richardson offered to research strategies and options to fund these positions and to have this information available at the next meeting.

Ms. Mallek asked Mr. Richardson to also research the JAUNT changes they have discussed.

Ms. McKeel asked Mr. Richardson if he was confident that should the Board decide to fund an additional CAT route later this year, they could find funding for it. She said she was anxious to have transit running better, as there are some residents who need to change buses seven times to commute two miles to work.

Mr. Gallaway suggested that they access the stabilization fund to address the scenario posed by Ms. McKeel.

Ms. Allshouse stated that the Board does have a reserve for contingencies with one-time and ongoing funds from which staff recommends and the Board appropriates. Additionally, she said the Board has a 1% stabilization fund that could also be accessed.

Ms. McKeel remarked that the potential route changes may not be an immediate action, but she would stress that the need for them was imperative for areas in which transit is not easily accessible.

Mr. Sheffield commented that he serves on the committee that has been discussing this issue. He said they are required to create more of a strategic transit plan by FY20 or FY21, which should have a more detailed analysis. He recognized that there was a question as to the steps to vetting ideas through the Board of Supervisors and City Council so they understand what needs to be funded and from where resources would come, as it makes its way into the budget prior to October. He said the process would probably have to start in the spring so that by June they could identify ideas that have merit and then spend a couple of months putting the numbers together followed by a public conversation.

Mr. Randolph envisioned that both the City and County would have to agree on a route and have a feasibility study conducted to determine ridership levels and costs, and it may not be done in time to meet this budget cycle.

Ms. McKeel remarked that they are just starting the discussion.

Mr. Sheffield stated that the \$25,000 has been added to the budget to help strengthen that process and remarked that things are lining up well to better inform the budget processes and process ideas faster than previously.

Ms. McKeel commented that the partnership does the work of identifying the need for a new route and then brings it to the Board of Supervisors and City Council.

Ms. Allshouse read the policy for the stabilization fund to the Board: "The budget stabilization reserve may be used from time to time, as necessary, to meet unanticipated one-time emergencies and unanticipated expenditures required to pay operating costs necessary to maintain the quality or level of current services." She noted that the Board could make adjustments to its policy.

Mr. Walker asked Ms. Allshouse if she would first access the Reserve for Contingencies for an ongoing operational expense related to unforeseen expenditures that fall outside of the budget process. Ms. Allshouse agreed.

Mr. Dill requested that they increase the amount for affordable housing from \$700,000 to \$1 million and establish a housing fund as a regular budget item.

Mr. Gallaway asked if this would involve the taking of \$300,000 from the \$2 million in a fund for strategic priorities. Mr. Richardson said he would like to hear the Board have a discussion about the \$2 million in capital reserves. He stated that the Board has flagged six items in this priority work session.

Mr. Gallaway commented that this should be a separate conversation. Mr. Richardson agreed but said he does not want Mr. Gallaway to feel like he was trying to silo him away from that because it was a great question. He said the answer to this was that if the Board wants to earmark \$300,000 of the strategic priority capital reserve with \$700,000 for housing to equal \$1 million, they could do this, although he would have to review where the Board was landing with the other six projects.

Mr. Gallaway said that he wants to avoid the mixing of recurring and one-time money.

Ms. Palmer stated that she supports funding for affordable housing but said she wants to first see the policy of how they are going to spend it. She added that they are not certain what the situation with Southwood was going to look like.

Mr. Randolph said they need to factor in a comprehensive view of the amount of resources dedicated within the budget to housing and look at the whole picture. He emphasized that when they dedicate more funds to one of the strategic priorities, it may entail the taking away of funds from another priority.

Ms. Palmer asked if they were to do Brookdale, whether they would have the money set aside. She said this was a recurring cost because it was essentially a tax rebate. Mr. Walker remarked that this was revenue not yet received. Ms. Palmer said she looked at it as potential revenue they were giving up.

Mr. Dill pointed out that they were putting \$3.2 million towards economic development in order to have money available should opportunities come up, which seems to be what happened with housing.

Ms. McKeel said they have an idea that there was a fairly good return on investment of economic development money. She said the Regional Affordable Housing Partnership referenced by Mr. Dill has had one meeting and would ultimately make recommendations, but the Board is probably a few years away from seeing these recommendations. She added that new employees are coming on board, and she would like to see if there are policy changes before she committing to a lot of work on affordable housing.

Mr. Gallaway said his understanding was that the sergeant position within the Sheriff's office budget was not full-time, and the monies were for upgrade from deputy to sergeant. Mr. Bowman clarified that there are two unfunded requests in the Sheriff's office that were requested as additional full-time employees, and perhaps there has been a revision that has not yet gotten to staff. Ms. Laura Vinzant pointed out that a reserve was set aside for such items and could handle an upgrade.

Ms. Palmer asked who would evaluate such a request. Ms. Vinzant responded that Human Resources would evaluate the request.

Mr. Richardson asked Supervisors if the Board would like staff to put together a list of unfunded positions. Mr. Gallaway remarked that it was a bit of overkill to list every single position.

Ms. McKeel agreed with Mr. Gallaway.

Mr. Dill added that he was thinking of a list of those they have discussed.

Mr. Richardson said the total number of positions requested in the budget was around 70.

Mr. Gallaway asked to see the costs for an additional position with DSS compared to the cost for an additional school resource officer so he could weigh the pros and cons. He said that it was his understanding that once school was out the school resource officer became a patrolman. Mr. Walker noted that 50% of funding for the school resource officers was from the schools.

Mr. Gallaway said his understanding was that the resource officer would serve Henley and the western part of the County.

Mr. Richardson said staff could come back to the Board with options to consider to be able to put these positions in July 1 and balance.

Ms. Palmer asked if the Sheriff's Deputy and police sergeant were the only unfunded positions. She asked if the sergeant position was brand new. Mr. Bowman confirmed that these were the only two unfunded positions. He also added the sergeant and deputy were both additional positions.

Ms. Palmer remarked that design studies for a compost facility could be funded by one-time money, and if construction costs increased, they could access one-time money if it was not already spent.

Mr. Walker reiterated that the Reserve for Contingencies contains both an ongoing and a one-time component, and if this was not sufficient, there was \$2 million in reserves.

Ms. Allshouse asked Ms. Vinzant for the total in the reserve for contingency when combining the one-time and ongoing funds.

Ms. Vinzant responded that it was \$537,000, with \$287,000 in ongoing and \$250,000 in one-time funds.

Mr. Randolph remarked that having run the variances and the budget they had over the last several years, there was a reason for concern going forward in terms of tax receipts in two areas and possibly a third. He said that after the audited 2019 budget comes through, there should be some degree of positive variance, and this would be timely because at the time the audit was completed the Board would be looking at the positive variance and Ms. Palmer would have estimates for what that overall program facility was going to require.

Mr. Richardson asked the Board if there was anything it would consider removing.

Ms. Mallek said that she had circulated an email suggesting they not be saving \$300,000 in the strategic priorities capital reserve to immediately go forward with the Rivanna River Phase 3, as the City needs to figure out how they want to do their side of the river, which was more urban and developed, whereas the County's side was more rural and floodplain. She said they could move on in another year. She suggested they replace this with the Crozet Master Plan.

Mr. Richardson presented a slide with his understanding of Board direction:

- Capital Budget: Policy Considerations
Direction Provided: Revise capital budget to reprioritize initial phase of Biscuit Run Park in place of Hedgerow Park

He asked if Board members wanted to discuss any other direction at this time concerning the Capital budget. If desired, continue conversation about use of \$2 million one-time Advancing Strategic Priorities Capital Reserve. In terms of the \$2 million, the Board can continue to keep it in capital reserve or revisit at any time during the year. At the last meeting, it was mentioned that there was interest in doing two sidewalk projects: in an aging urban neighborhood and along Old Lynchburg Road.

Ms. Palmer described the location along Old Lynchburg Road as extremely dangerous as people try to get under the bridge.

Mr. Richardson asked the Board if they would like him to confer with Mr. Henry to attempt to estimate the costs or defer this until next year.

Ms. Palmer noted that Mr. Kevin McDermott was working with the City on a larger grant opportunity that would include this part but if he does not get that funded, then this little area needs to be done.

Mr. Henry said he believes this was part of the \$6 million for bicycle/pedestrian quality-of-life projects. Ms. Palmer confirmed that it was but emphasized that it was an urgent need if it was not going to get grant money.

Ms. McKeel said they could take a little bit of the \$2 million to do some preliminary work around just looking at these projects to see where they are and what they would cost so they could discuss them next year.

Mr. Henry commented that if the Board wants to do this for the FY21 budget cycle, they would want to do the work this spring and summer to have the studies in place for the CIP next year, so they might need to advance the funding.

Ms. Allshouse remarked that the funding was available now and could be advanced.

Ms. McKeel clarified that the area she was talking about for a sidewalk was around Solomon Road and Hessian Hills between Stonefield and Georgetown Road.

Ms. Palmer explained that the area of concern for her was at Timberland Park, the new affordable housing project, which was very dense and has lots of apartments. She pointed out that Azalea Park was located on the other side of I-64 and there was no safe way to get there. She said the area was dangerous for families and children to get to Azalea Park.

Ms. Mallek asked Mr. Henry to also research the scoping and design of a new location for Lickinghole Bridge to take advantage of a land and developer donation. She said they may need design money to get to the next step.

- Ms. Allshouse then presented a slide with a preview of the March 4 meeting:
- Review schedule and potential adjustments (March 26 and 28 work session placeholders)
 - Board discussion of the items on the list from previous work sessions
 - Board approves proposed tax rate for advertisement
 - Board approves Proposed Budget

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

There were none.

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

There were none.

Agenda Item No. 7. Adjourn to February 28, 2019, 7:00 p.m., TJPDC Water Street Center, 407 E. Water Street.

At 5:46 p.m., the Board adjourned its meeting to 7:00 p.m., at TJPDC Water Street Center, 401 East Water Street, Charlottesville.

Chairman

Approved by Board

Date 07/17/2019

Initials CKB
