

A special meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 21, 2019, at 3:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was called by the Chair, Mr. Gallaway, for the purpose of allowing a quorum of Board members to convene an open meeting, to attend and hold discussion at a work session of the FY 2019-2020 Operating and Capital Budget.

The Board will then go into a closed meeting as authorized under Virginia Code § 2.2-3711(A) to discuss and consider the acquisition of real property in the Crozet area, the investment of public funds to provide infrastructure improvements in Crozet, an affordable housing project and additional emergency services in the Scottsville Magisterial District, the litigation between the Board and the Charlottesville City Council regarding the Ragged Mountain Reservoir, and the terms of a possible agreement with a volunteer rescue squad.

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.

STAFF PRESENT: Deputy County Executive, Doug Walker, Assistant County Executive, Trevor Henry, Director, Office of Management and Budget, Lori Allshouse, 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 3:00 p.m., by the Chair, Mr. Gallaway.

Agenda Item No. 2. **Work Session:** FY 2019-2020 Operating and Capital Budget.

- General Overview.
 - Revenues (pgs. 39 – 52)
 - Expenditures (pgs. 53 – 61)
 - Agency Funding throughout budget and Cross-departmental items and Non-departmental items (pgs. 159 – 171)
- Presentation of School Board Budget. (pgs. 191 – 240), and also refer to School Division's Funding Request document.

Mr. Gallaway said they would conduct a general overview of revenues and expenditures, followed by a review of the School Board's funding request.

Ms. Lori Allshouse invited staff members present to introduce themselves.

Ms. Allshouse presented a timeline of important dates in the budget process with topics to be reviewed at upcoming meetings, followed by an outline of the format for this work session. She stated that the work sessions are an interactive approach; staff presents information followed by Board dialogue. If there are items that require further information and/or discussion for "the lists" staff will keep the list for summary at the end of the meeting. She asked that if Board members want an item added to the budget or removed from the budget, that there be a consensus of four. She identified March 4 as the date when the Board would propose a budget for public hearing and advertise the proposed tax rate.

Ms. Allshouse presented the agenda:

- Highlights
- General Fund Revenues
- Recommended Use of General Fund Fund Balance
- General Fund Expenditures
- Agency Funding
- General Fund Transfers
- Revenue Sharing
- City/County Collaboration
- School Board Request

Ms. Allshouse stated that the foundation of the annual budget was based on long-range planning and the Board's direction. Staff looks at the Board's Strategic Plan, Capital Improvement Plan, Five-Year Financial Plan, and Two-Year Fiscal Plan.

She presented a slide with the items supported by the budget for the FY20-22 Strategic Plan: Climate Action Planning, Outdoor Recreational Parks and Amenities, Economic Development Program, School Space Needs, Infrastructure Planning, Aging Urban Neighborhood Revitalization, Court Complex Expansion/Upgrade, Rio Road/Route 29 Area Redevelopment, Broadband Expansion. She reminded the Board that there are contingency reserves around the Strategic Plan which could be drawn upon at the Board's request.

Ms. Allshouse said staff are using guidance from the Board's long-range planning process and seek to sustain economic growth with a longer-term economic outlook at revenues, invests in 21st Century infrastructure, and reinforces the foundation of government services. He said the budget was balanced on a recommended tax rate of \$0.854 per \$100 assessed value, an increase of 1.5 cents in CY19. The increase is dedicated solely to capital and debt.

Ms. Allshouse said they have a total County budget, which is an all funds budget. The General Fund was the major fund to which most of the attention of the work sessions would be focused on, with additional funds being School Fund and other funds. She noted that the recommended General Fund was \$306.7 million.

Ms. Allshouse then reviewed **General Fund revenues**. The revenues are a projection of revenues the staff believes will come into the County during the next fiscal year. She explained that the Department of Finance's revenue team forecasts revenues utilizing linear trend line analysis, year-over-year methodology, assumed rates of growth, algorithm modeling, regression modeling, and institutional knowledge and intuition.

Ms. Allshouse said staff shared with the Board a five-year forecast during November and December, and the story was still the same. She presented a slide with the following assumptions of the General Fund revenue forecast:

- continuing growth in global and U.S. economies
- overall state of the economy looks good in the near-term
- strong local revenue growth
- some potential headwinds: high corporate debt in the U.S., rising interest rates, U.S. – China situation

She next presented a comparison chart of General Fund Revenues for the FY19 Adopted and FY20 Recommended as follows:

Total General Fund FY19 Adopted: \$291.69 million
Total General Fund FY20 Recommended: \$306.73 million
Increase: \$15.04 million or 5.2%

Ms. Allshouse said the general property taxes (real estate, personal property and public service) was projected to increase 7.2%. Other local taxes, i.e., sales, BPOL, increases overall by 2.1%. Other local revenues, i.e., permits and fees, EMS, projects about a 6.4% increase. In terms of state and federal revenues, federal revenue was a small portion of the General Fund budget, with an increase of 7.5%. State revenues are somewhat flat, with a 2.0% increase. While not "true" revenues, transfers and use of fund balance are included in the revenue category, and are funds to help support the Board's expenditures.

She stated that 73% of voters approved the 2016 bond referendum for up to \$35 million in school projects, with the knowledge that a tax rate increase was possible, and proceeds are used for expansion of Woodbrook Elementary as well as modernization and security projects at schools throughout the community. She recalled how last year they reviewed the future direction of the CIP, a joint program of schools and local government, and talked about a \$35.1 million high school center, \$12 million in school investments, and \$12 million for quality-of-life projects (Parks and Rec and bike/ped trail programs) totaling about \$59.1 million over a five-year period. She emphasized that it may be necessary to increase the tax rate by up to 4.2 cents by FY22 to pay debt and operating costs associated with these items.

Ms. Mallek asked if it was fair to say that equivalent growth could provide funds to offset a 4.2-cent tax rate increase. Ms. Allshouse responded that it would have to be much higher than projected to avoid a tax increase.

Ms. Mallek recalled that several years ago, funds were withdrawn from the CIP and asked if this was what she means by a transfer or if she was referring to transfers into the CIP. Ms. Allshouse acknowledged that during the recession in 2011, some CIP funds were transferred to the operating budget and has not been returned.

Ms. McKeel asked Ms. Allshouse if she was still projecting a need for a 4.2-cent tax increase. Ms. Allshouse responded that right now it was looking this way, though they would discuss the CIP and debt at the next meeting, including the need to increase the CIP, debt, and operating costs.

Ms. Allshouse next presented data on real estate property taxes:

- recommended rate of \$0.854 per \$100 of assessed value, an increase of 1.5 cents in CY 19, dedicated to the CIP/debt service
- each penny on the real estate tax yields \$1.9 million in estimated collectable real estate tax revenues
- lowered or effective tax rate would be \$0.807 per \$100 of assessed value
- tax relief for the elderly/disabled program \$1 million total (7.4% increase)
- expected to generate \$164 million or 53% of General Fund revenues
- an \$11.5 million or 7.5% increase over FY19: \$5.14 million due to appreciation
\$3.4 million due to growth
\$2.95 million due to tax rate increase

Ms. Allshouse presented a graph of trends in Other Local Taxes. It shows the growth/decline of taxes for each year between FY11–FY20:

- Sales tax – 3.2% increase over FY19: 18.3 million
- Business license – 4.5% increase over FY19: 13.8 million
- Food and Beverage – 8% increase over FY19: 9.8 million
- Consumer Utilities tax – 1.9% increase: 8.5 million
- 2% of the Transient Occupancy Tax (TOT) - 0.1% increase: 1.2 million

Ms. Allshouse reviewed state revenues as a portion of the General Fund. She said they represent 8% of revenues at \$25.1 million, an increase of \$535,000 or 2.2%. She presented a graphic with information on the four categories of state revenues as follows:

- Categorical Aid - \$6.8 million – includes Social Services funding, Recordation taxes, HB599 (law enforcement), Fire Rescue Services funding, and miscellaneous
- Non-Categorical Aid - \$15.9 million – includes \$14.9 million in Personal Property Tax Relief, vehicle rental tax, and misc.
- Shared Expenses - \$2.3 million – Commonwealth’s Attorney, Clerk of Circuit Court, Sheriff, Registrar, and \$ for Finance
- Payments in Lieu of Taxes - \$161,000 – from UVA

Ms. Allshouse reviewed federal revenues as a portion of the General Fund. She said they represent 2% of revenues at \$6.5 million, an increase of \$454,000 or 7.5%. She presented a graphic with information on the two categories of federal revenues as follows:

- Categorical Aid - \$6.5 million – Designated for specific use – usually received on a reimbursement basis. Primarily for Social Services and Medicaid reimbursements
- Payment in Lieu of Taxes - \$41,000 for tax exempt Federal park lands located in the County.

Ms. Mallek asked if there has been a change with UVA due to the change in ownership of the properties from the Foundation to the academic. Mr. Bill Letteri responded that he does not have this information. Ms. Allshouse offered to follow up on this.

Ms. McKeel observed the red ink on page 48, which she said represents Commonwealth’s Attorney, Circuit Court, Sheriff, and Registrar, and asked if this reflects that the state was giving the same amount as in the past. Ms. Allshouse responded that there has been an adjustment in methodology for state revenue projections and she does not believe they would see a big change in the actual numbers.

Mr. Dill asked how aggressively the County tries to get payment in lieu of taxes from UVA and other nonprofits. Mr. Letteri and Ms. Allshouse said they did not have an answer and offered to follow up.

Ms. Palmer remarked that she thought payments in lieu of taxes reflect specific agreements. Mr. Richardson offered to discuss this after the work session and come back to the Board with a clearer framework as to whether the County was taking full advantage of the leeway they have under state law.

Ms. Mallek remarked that in the past they have had to fight for it.

Mr. Randolph referred to Use of Money and Property on page 39, projected at 22.3%, and asked why they went from an estimate of \$1.8 million and are now looking at an increase of \$397,000. Mr. Steve Allshouse, Manager of Economic Analysis and Forecasting, Department of Finance, responded that one of the things that motivated the increase in projected numbers was the taking of money the County had on deposit with certain institutions for which they were receiving a lower interest rate and moving it to institutions offering higher rates. He said he has taken into account the expectation that the Federal Reserve would continue to raise its target for short-term interest rates and they want to try to take advantage of that higher rate of return, though recent indications are that the Federal Reserve might not raise rates and so the forecast may come down.

Mr. Randolph remarked that this would mean they would not put money into long-term bonds. Mr. Allshouse agreed and said they would want to stay on the short end of the yield curve.

Mr. Randolph asked why Miscellaneous has increased by 179.4%. Mr. Letteri responded that this largely has to do with the County’s increased use of the P-CARD program to pay vendors, through which they receive a rebate from banks. The P-CARD is a methodology of facilitating purchasing in the County; which creates a lot of efficiencies.

Mr. Randolph commented that the TOT has been relatively flat and they are looking forward to when the County has developed its short-term rental policy as to whether this would continue to be flat. He noted that some believes this was a chronically underpaid category of receipts and said that once it has been established that a license was required, it would be interesting to see if revenues increased.

Ms. Allshouse presented a slide with General Fund fund balance as shown on Page 171:

June 30, 2018 Audited Fund Balance	\$53.5 million
<u>Less Policy Use of Fund Balance</u>	
- 10% Unassigned Fund Balance	\$34.8 million
- School Reserve Fund	\$3.2 million
- Committed, prepaids/inventory	\$0.1 million
- 1% Stabilization Reserve	\$2.9 million
Less Appropriated Use of Fund Balance (FY19)	\$4.3 million
Less Recommended CIP Policy-Related Equity Funding	<u>\$1.9 million</u>
Undesignated Fund Balance	\$6.3 million

She noted they would ask the Board to put this money to work as part of the current budget and for FY20. She noted that it was the Board's policy that 10% of the fund balance be kept as a reserve.

Mr. Randolph asked if there was a cap at which point there was considered to be an adequacy of fund balance that after it has been reached, the Board could redirect funds to the CIP. He noted that a constituent recently posed this question to him. Mr. Letteri responded that the 10% figure grows along with the budget and he has not seen the Board use the 10%. He said he would not advise changing that amount.

Mr. Gallaway remarked that this would be a policy and not an annual discussion. Mr. Letteri said the County looks around the state and engages the rating agencies around what a reasonable figure is. Staff feels comfortable with the 10%.

Ms. McKeel asked Mr. Randolph if the constituent who posed this question was concerned that every year the County put in 10% additional above what has already been in the fund balance. Mr. Randolph responded that this may have been the perception.

Mr. Dill asked where the 1% stabilization reserve goes if it is not spent. Ms. Allshouse responded that it stays. The policy the Board put in place for this reserve states that these funds "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 serves or to smooth or offset revenue fluctuations that may occur in a fiscal year".

Mr. Randolph said that when they review the CIP, he would like to discuss transferring as much excess fund balance as possible to it, in order to address challenges, they are facing, particularly with increasing debt payments. He continued that there are not enough dedicated pennies to address future infrastructure and capital needs, and he does not see a blueprint in the budget as to how to address this crisis.

Mr. Letteri remarked that they intend to dive into this issue at the next work session. He assured the Board that they are very deliberate to maintain proper cash and debt ratios, though he agrees that this lowers the capacity of the capital fund.

Ms. Allshouse presented charts from pages 52 and 172:

Recommended Strategic Investment of Undesignated Fund Balance

Putting it to work in FY19: \$4.7 million

- Economic Development Fund - \$3.2 million
- Housing Fund - \$700,000
- Broadband Incentives - \$800,000

Putting it to work in FY20: \$1.6 million

- Grants Leveraging - \$60,000
- Innovation Fund - \$100,000
- Business Process Optimization - \$250,000
- Contingencies - \$237,000
- CIP and Grant Support - \$150,000
- Water Resources - \$187,000
- One-Time Expenditures - \$637,000

Ms. McKeel remarked that it was really important for people to understand this was one-time money and that if the Board approves a 1.5-cent tax increase to go into capital, this was not one-time money, but ongoing, reoccurring money. Ms. Allshouse agreed.

Mr. Randolph added that he did not think the Board had approved a tax increase totally dedicated to the CIP.

Ms. Mallek and Ms. McKeel corrected him that the Board had, although it has been a long time and was not something they do very often. Ms. McKeel said this shows the community the Board's concern around the CIP, how much it was underfunded, and the ongoing infusion it needs.

Mr. Randolph remarked that he has not heard of concerns from constituents this year and believes everyone understands that this money was going to desirable infrastructure improvements that fit into the Board's strategic priorities.

Ms. Palmer asked for confirmation that the Board would not make a decision on these now and would talk about them when they get to the departments. Ms. Allshouse agreed that they could talk about them as they get to the departments and that she was currently presenting an overview snapshot.

Ms. Palmer remarked that she feels as if the Rivanna Solid Waste Authority was in a kind of no man's land because they are not sure where they are getting the money. She noted that \$390,000 was been spent last year from reserves and this has been done for a lot of one-time items, and they have used the portion of the reserves they felt comfortable using. She noted that they have considered the idea of adding another convenience center and they may need to do some planning which could require the purchase of property, and she wondered where these funds would come from given that they have reduced the reserves. Ms. Allshouse offered to connect this back once they got to that section of the budget.

Mr. Gallaway asked for an explanation of the difference between the Reserve for Contingencies and the One Percent Stabilization Fund. Ms. Allshouse explained that every year, an operating reserve was put together for unexpected items and this reserve was made up of two parts: one-time and ongoing. She continued that the Stabilization Fund was 1% and separate was the additional to the 10% reserve.

Mr. Randolph reminded the listening audience that this year they would not have a tax increase for water protection purposes, which represents the third consecutive year they would have put this off. He noted that it was expected to have been a tax increase of 1.6 cents.

Ms. Mallek asked to see a detailed list of the \$637,000 in one-time expenditures. Ms. Allshouse agreed to provide this.

Ms. Allshouse reminded the Board that it would receive a revenue update on February 28. She concluded and turned the presentation over to Mr. Bowman.

Mr. Andy Bowman presented a slide with a pie chart of General Fund expenditure categories. It shows that Transfers to Schools represent the largest share at 45%, followed by Public Safety at 16%, Transfer to CIP/Debt at 10%, and several additional categories.

He next presented a chart of **General Fund Expenditures** for FY19 Adopted and FY20 Recommended that shows expenditures for several County departments and the dollar and percentage change from FY19 to FY20. The chart shows Total General Fund Revenues of \$291.89 million in FY19 Adopted and \$306.73 million in FY20 Recommended, representing a 5.2% increase. He noted that Public Safety represents the largest dollar increase at \$3.56 million, with the additional funds used to improve communications, County Jail and Sheriff's office, and volunteer fire/rescue stations. He pointed out that Administration would have the largest percentage increase at 11.1%, followed by Judicial at 10.9%. He explained that the judicial increase was due largely to increases to the budgets of the sheriff's office and Circuit Court. He explained that about \$500,000 of the increase in the Administration budget represents one-time costs, which would be offset by additional revenue. He stated that Health and Welfare was proposed to have the smallest dollar increase, which he explained was due to savings from the Children's Services Act. He pointed out that there was a proposed decrease of 34.4% for the category of Other Uses of Funds as one-time costs that occurred in FY19 and would not occur in FY20, such as funding for Habitat for Humanity related to the Southwood project, health insurance cost savings put towards general government and the healthcare stabilization reserve, and the exclusion of the reserve for the public safety pay scale in the FY20 budget. Mr. Bowman said the total General Fund change was \$15.04 million, or 5.2% increase.

Mr. Bowman presented a slide entitled "**General Fund Expenditures Cross-Departmental Recommended Budget**," with the following information:

- 2.3% salary increase and 0.7% pay-for-performance reserve: \$1.65 million increase
- 5.4% increase in employer contribution to health insurance costs and implementation of differentiated health insurance employer contribution rates effective January 1, 2020: \$430,000 increase
- implementation of a full year of the Public Safety Pay Plan: \$900,000 increase
- increases budgeted salary lapse from 1.5% to 2.0% of salaries: \$271,000 decrease

Mr. Bowman next presented a graph with the number of General Government positions per 1,000 population for each year from FY10–FY20. He pointed out that the number had reached a low in FY12 at 6.03 and has been gradually increasing since then and would stand at 7.05 in FY20. He explained that most of the positions added have been in the areas of Public Safety and Department of Social Services, with future increases to also include Recreation, project managers for the CIP, and Finance.

Mr. Randolph said he would like to see a comparison of general government positions with comparable counties. Mr. Bowman agreed to provide this but pointed out that this was complicated because Albemarle participated in a regional library and regional jail system, so library and jail employees are not counted as part of the County workforce, whereas in some localities they are.

Mr. Bowman presented the next slide on staff positions proposed to be added in FY20, for a next increase of 15.5. He pointed out that six positions would be added in Department of Social Services related to Medicaid expansion and funded mostly by the state and federal governments. He noted that the Chief of Housing, under Community Development, would be retiring at the end of the fiscal year and would not be replaced. He pointed out that 2.5 temporary positions under Facilities and Environmental Services would be converted to ongoing as a result of the school bond referendum and are paid for out of the CIP. He noted that the Project Management Division would now be known as the Facilities, Planning, and Construction Division. He noted that a Purchase Card Program Administrator would be added to Department of Finance.

Ms. Palmer asked what a Business Intelligence Manager was. Mr. Michael Culp, Director of Information Technology, explained that this staff member would manage over 36 major databases to enable easier access to data and allow for better decisions.

Mr. Dill asked if it was the County's data. Mr. Culp responded that it was both internal and external data.

Mr. Randolph asked who was doing this work currently. Mr. Culp responded that it was a mixed bag.

Mr. Henry reminded the Board that the Technology Use Assessment recommended the creation of this position and a team within IT to focus on security and data warehousing.

Mr. Dill asked how many positions were added last year and for the total County workforce. Mr. Bowman responded that 26 positions were added between FY18–19 and, if the FY20 recommended budget was adopted, the County workforce would increase to 779.39.

Ms. Palmer asked what the increase in Department of Social Services would be. Mr. Bowman explained that it would be an addition of six Medicaid positions and one assistant director.

Mr. Bowman presented a slide with a pie chart representing **Agency and Joint Operation Funding** categories. The slide indicates that the FY20 Recommended Budget for Agency and Joint Operations was \$25.2 million or 8% of the General Fund, represented 21% of all general government operations, and was proposed to increase by \$1.6 million or 6.8%. The pie chart indicates that Transfers to Schools represent the largest portion (45%), followed by General Government Operations (31%), Transfer to CIP/Debt (10%), and several other categories.

Mr. Bowman emphasized that there were many different types of agencies ranging from large regional authorities and joint exercise of power agreements, such as the regional jail and regional emergency communications center, to agencies for which the County has written agreements, such as Charlottesville/Albemarle SPCA, many small human services agencies such as Boys and Girls Club and Computers4Kids, ReadyKids, cultural agencies and festivals, and others.

Mr. Bowman presented a pie chart of Agencies by Functional Area. He pointed out that Public Safety represents the largest share, at 43%, and was represented by the regional jail, detention center and volunteer fire/rescue stations. He said the next largest piece of the pie was represented by Parks, Recreation, & Culture, at 22%, and was represented by the Jefferson-Madison Regional Library and Charlottesville-Albemarle Convention and Visitor's Bureau, among others. Community Development (17%), Health & Welfare (12%), Public Works (5%), and Judicial (1%) are the other categories represented in the pie chart.

Mr. Bowman presented a list of Agencies and Community Partners for which the County would provide continued, enhanced, or new support as follows:

Continued Support:

- Community Development
- Health and Welfare
- Public Safety
- Parks, Recreation, Cultural Agencies
-

Enhanced Support:

- Emergency Communications Center
- Jefferson-Madison Regional Library
- Regional Transit Partnership
- JAUNT
- Piedmont Housing Alliance

New Support:

- Thomas Jefferson Area Coalition or the Homeless (PACEM)
- Jefferson School African-American Heritage Center
- Georgia's Healing House
- Light House Studio
- On Our Own

He noted that Ms. Kathy Ralston would attend the meeting on Thursday to review the ABRT process and discuss the details of these agencies.

Mr. Bowman reviewed non-departmental matters covered on pages 159–172 and said he would focus on General Fund transfers to the School Fund and revenue sharing, with other non-departmental matters to be covered at next week’s meeting. He presented a slide with the following information:

General Fund Transfers (Pgs. 162–167) include:

- Transfer to the School Fund: \$138.2 million
 - Increase of \$6.9 million, or 5.2%
 - This includes an additional \$50,000 for operational expenses associate with the Go Bond funding of Western Albemarle High School Environmental Studies Academy
- Transfer to CIP and Debt Service: \$31 million
 - \$4.1 million, or 15.2% increase
 - Includes \$2.9 million from dedicated tax rate increase
 - Also includes \$196,000 from General Fund for Facilities & Construction (expense and revenue from General Fund would be moved to the CIP)
- Transfer to Stormwater Capital Fund - \$187,000
 - Provides a “bridge year” until ongoing funding was identified
- Transfer of dedicated funding to Water Resources Fund - \$1.4 million
 - Equivalent to 0.7 cents on the real estate tax

Mr. Bowman presented the following chart:

Revenue Sharing with the City (Pages 160 and 161)

Fiscal Year	Amount	Dollar Change	Percent Change
FY16	16,058,668	(408,313)	-2.5%
FY17	15,767,084	(291,584)	-1.8%
FY18	15,855,485	88,401	0.6%
FY19	15,696,360	(159,125)	-1.0%
FY20	14,199,607	(1,496,753)	-9.4%

He explained that this was based on a formula and recent changes are due primarily to changes in City assessments made two years ago. He concluded and turned the presentation over to Ms. Allshouse.

Ms. Allshouse remarked that they have put together some new slides that they thought would be interesting to the Board and public. She reminded Supervisors they recently had a joint meeting with Charlottesville City Council and discussed collaboration, and staff has identified areas that support the MOUs and other collaborative efforts, which total \$26.8 million. She presented a list of various MOUs with the City that are categorized as Education, Environment, Development and Affordable Housing, Transportation, and Economic Development. She explained that \$9.9 million has been identified in the FY20 Recommended Budget to support these MOUs. She next presented a list of items the County contributes to in collaboration with the City and other jurisdictions, which fall under the following categories: Health and Welfare, Judicial, Public Safety, and Other. These collaborative efforts total \$16.9 million.

Ms. Allshouse presented a list of City-County Shared Capital Projects:

- Darden Towe Athletic Field Improvements (Turf and Lighting \$1.9 million project includes \$928,000 from City; to start FY20)
- Courts Complex Project (\$44 million, including carry forward) City contribution of \$9.38 million
- County Parks Maintenance/Replacement Program (Ongoing and includes Darden Towe and Ivy Creek Natural Area)
- County Co-Owned Facilities Maintenance/Replacement Program (Ongoing and includes Central Library, J & DR, Preston Morris Building, Wheeler Building, Jessup House, etc.)

Ms. Allshouse also noted that County staff was planning and developing multiple trail and sidewalk projects that extend to the City’s boundaries.

Ms. McKeel said this information was very helpful and she appreciates receiving it. Ms. Allshouse thanked Ms. Bittle and Ms. Mitchell for putting together the information.

Mr. Randolph observed that although the County contributes a substantial amount to support the Virginia Film Festival, most of the attending guests stay at hotels in the City. He said he would like to see some of these expenditures made in the County.

Mr. Dill asked if the City has committed a contribution to Darden Towe. Ms. Allshouse responded that it was included in the City’s proposed FY20 budget.

Ms. McKeel asked for confirmation that answers to frequently asked budget questions would appear on the County website for the benefit of the public. Ms. Allshouse confirmed this and offered to add additional answers to questions that Supervisors have heard from the public. She asked Ms. Holly Biddle to share the list she has compiled of items the Board identified for further discussion.

Ms. Biddle presented the list of items for future discussion: tax revenues for the CIP, use of year-end positive variance, need for cash flow to CIP, and debt to equity ratios.

Ms. Biddle presented a list of items for follow up: collection of payment in lieu of taxes from properties transferred from UVA Foundation to UVA academic, planning for RSWA potential purchase of property for a collection site, a full list of FY20 one-time expenditures, and comparison of the County's ratio of employees to 1000 residents with comparable localities.

Ms. Mallek suggested that the comparison only be done if it is reasonable because everyone's departments are different. For example, Albemarle has five agencies in Community Development whereas Augusta has one, so Augusta's 20 looks tiny and efficient in comparison to the County's 75. She asked staff to be judicious in how it spends its time; if it is not readily available, leave it alone. Mr. Bowman commented that there will be caveats.

Mr. Randolph added that a lot of governments do not operate the same way, but it would be useful for staff to provide whatever information it can.

Recess. The Board recessed at 4:40 p.m., and reconvened at 4:51 p.m.

- **Presentation of School Board Budget. (pgs. 191 – 240), and also refer to School Division's Funding Request document.**

Mr. Gallaway invited School Board Chair, Mr. Jonno Alcaro, and Vice-Chair Mr. Graham Paige, to review the School Board's FY19–20 funding request.

Mr. Alcaro thanked the Board for allowing this time to discuss the School Division's budget for next fiscal year. He and Mr. Paige will present a brief presentation on the School Board's 2019-2020 funding request. They also have staff on hand to help answer any questions Board members may have at the end of the presentation.

Mr. Alcaro said the theme of their presentation was, "Albemarle Rising: The Rising Tide Lifts Us All," and while their funding request focuses on lifting the performance of every student across their division, in every demographic group, it is based on the undercurrent that what is good for their schools are even better for their community. They recognize the importance and value of the connection between the School Division and the County's services and businesses and the future prosperity of their residents. This is a prosperous time for Albemarle County, and they are in this together with the Board of Supervisors as great stewards of financial resources and strategy.

Mr. Alcaro said they are presenting a needs-based funding request that aligns with the School Division's Strategic Plan, their biennial priorities for 2018 to 2020, and the ongoing conversation around addressing the well-being and success of their students through a focus on equity.

Mr. Alcaro said that before they dive into the dollar signs, he would like to take a moment to shine a spotlight on some division statistics:

- It is, apparently, the year of the 14s. Not only are they serving nearly 14,000 students this year in pre-K through 12th grade, but they are spending roughly \$14,000 to educate each of those 14,000 students, and their buses travel more than 14,000 miles each school day to transport them.

Mr. Paige then continued with the following division statistics:

- The division currently employs over 1,300 teachers, 64% of whom hold advanced degrees, and approximately 1,260 classified employees, including 120 Child Nutrition employees who serve their students over 8,000 meals each school day.
- According to their fall enrollment data, one-tenth of their students are English Learners; 30% are economically disadvantaged; and 12.5% are served by their Special Education programs.
- At last count, their students were born in 89 countries and speak at least 74 languages at home.
- Last school year, their Families in Crisis Program served more than 450 homeless children in the County, more than one-half of whom are students in the School Division.
- On a celebratory note, nearly two-thirds of their 2018 high school graduates earned an Advanced Studies diploma, compared to only one-half of their peers across the state. Additionally, 43% of their graduates earned a passing score on at least one Advanced Placement exam, compared with only 28.5% of high school graduates across the Commonwealth.

Mr. Paige announced that NICHE, a national education assessment organization, bestowed an A+ to the County schools based on academic quality, college preparation, sports, clubs, teachers, activities, administration and other factors. Overall NICHE ranked Albemarle the third best school division in the state and among the top 2% of school districts in the country. He noted that the schools rank first in the state for athletic programs and were in the top 1% nationwide. He noted that Albemarle was a successful school system in many ways and students are outperforming peers across the state in a number of metrics. And, while they are very proud of these accomplishments and very grateful for the Board of Supervisor's support and for the high-quality educators, support staff, administrators, and community volunteers who make it all happen, they still have a lot of work to do.

Mr. Paige presented a chart indicating that the County schools outperformed the State averages in the categories of Students Earning an Advanced Studies Diploma, On-Time Graduation Rate, Dropout Rate, and Graduates who enrolled in an Institution of Higher Learning within 16 months of graduating.

Mr. Paige remarked that every student has the capability to learn and grow, though they are not reaching students of every demographic group at the same level of success. He presented a chart that compared County reading Standards of Learning performance among racial/ethnic groups, students with disabilities, economically disadvantaged, and English learners with the state average. He emphasized that in addition to having lower test scores than white students, African-American and Hispanic students enrolled at lower rates in advanced classes and enrichment programs and have higher suspension rates. He said the School Division was on a mission to end the predictive value of race, class, gender, and special capacity on student success.

Mr. Paige remarked that everything they do as a school system was rooted in the mission, vision, core values, student-centered goal, objectives, and strategic priorities that collectively make up the strategic plan, which provides the framework for decisions, ambitions, and the annual funding request presented to the Board of Supervisors. He continued that while the strategic plan serves as a compass, they depend on several other sources of input to help develop the funding request.

He presented a slide with a list of sources of input:

- School Board Retreat
- Superintendent's Listening Tour
- Budget Survey
- State of the Division Report
- Superintendent's 100 Day Report
- Key Advisory Groups

He said the School Board has received input from more than 1,000 students, parents, employees, and community members, with top issues identified as competitive salaries to attract and retain quality teachers and support staff, increased student health and wellness services, physical safety and security, and increased workforce and career readiness opportunities. He said that School Superintendent, Mr. Matt Haas, conducted a listening tour the previous fall as part of his first 100 days as superintendent, which consisted of 16 sessions, an online feedback forum, and a community survey. He said Mr. Haas issued a report to the Board that set expectations for the next four years and was based on community feedback and structured around the division's strategic objectives. Mr. Paige said the School Board collaborated last summer to articulate the future direction of the school division's work around contemporary high schools, and they dedicated time in October to review the state of the division, including successes and areas that need improvement. In addition, throughout the budget development season, school leaders interacted with multiple advisory groups that provided information and guidance.

Mr. Alcaro continued presented a slide with a chart of 2019–2020 revenues as follows:

	2018-19 Adopted	2019-20 Request	\$ Change	% Change
Local	\$135,540,021	\$141,564,076	\$6,024,055	4.44%
State	\$ 48,263,009	\$ 50,767,269	\$2,504,260	5.19%
Federal	\$ 2,997,473	\$ 2,999,523	\$ 2,050	0.07%
Total	\$186,800,503	\$195,330,868	\$8,530,365	4.57%

Mr. Alcaro said it was expected that the state contribution would remain steady and represent 26% of per pupil costs, compared to as much as 32% prior to the recession. He noted that if the state were to provide 30% of costs, the schools would receive an additional \$8.0 million annually. He thanked the Board on behalf of students, families, and employees for its support.

Mr. Alcaro presented a chart of 2019-20 expenditures as follows:

2018-19 Adopted	2019-20 Request	\$ Change	% Change
\$186,800,503	\$195,757,442	\$8,956,939	4.79%
Compensation and Benefits:	\$167,152,612		
Operating:	\$ 22,287,036		
Capital:	\$ 1,977,175		
Transfers:	\$ 4,340,619		

He pointed out that 86% of expenses were allocated to employee compensation and benefits. He next presented a chart entitled "2019-20 Funding Gap":

Increase in Revenues \$8,530,365

Compensation and Benefits		\$5,089,211
Compensation and Benefits (Savings)		(\$1,406,577)
Increase in Directed/Non-Discretionary	\$617,953	\$8,956,939
Expenditures Growth		\$1,921,664
Advancing Strategic Objectives		\$2,734,688
Resulting Funding Gap		(\$426,574)

He explained that the increase in directed/non-discretionary expenses included transfers to Children’s Services Act and Piedmont Regional Education Program, as well as utility and fuel costs. He explained that the increase in growth was due primarily to staff increases resulting from enrollment growth, special education needs, and operational impacts of the addition to Western Albemarle High School.

Mr. Alcaro stated that the funding gap was the lowest it has been since the 2009–10 request. He reviewed the primary drivers of the increase, which include a 2.3% market increase for teachers, 2.3% market + merit increase for classified staff, and increased compensation for bus drivers. He identified enrollment growth as another driver, particularly with the growth in special populations such as English learners, the economically disadvantaged, and students with disabilities. While their total student enrollment has increased by 4.2% in the last five years, the population of English Learners has increased by 21.5% in that same time; the division’s economically disadvantaged student population has grown by 9.1%; and they are now serving 28.4% more students with disabilities.

The division’s 2019-20 funding request includes 20 new budget proposals in support of their five Strategic Objectives, including their commitment to engaging every student; implementing balanced assessments; improving opportunity and achievement; creating and expanding partnerships; and optimizing resources. Ultimately, how well they meet these objectives will determine the impact their schools will have on their community’s quality of life and economic vitality. Mr. Alcaro added that this funding request builds upon last year’s Equity & Opportunity theme and moves the division toward lifting all students by reinforcing successful strategies, adding specific resources where needed; and setting measurements for evaluation from the start.

Mr. Alcaro again noted there would be 20 new budget proposals in their 2019-20 funding request, all in support of their Strategic Objectives. As part of their commitment to being good stewards of the funds and resources available to the division, the division leaders employed a deliberate process by which to select these proposals. He noted that school and department leaders submitted over 70 requests for funding that collectively equaled about \$6.0 million. He explained that each request included a five-year budget, justification for the request, alternative options for meeting the desired goals, impact measurement metrics, and other considerations. Following this process of evaluation and ranking, the Superintendent and his Cabinet reduced the proposals to a list of 20, then collaborated with school and department leaders to identify non-budgetary resources, measurable action items, and short-and long-term SMART goals (goals that are Specific, Measurable, Attainable, Realistic, and Timely) for each proposal.

He said he would next review a few of these items and presented a chart entitled “We Will Engage Every Student”:

Contemporary High School Programming	High School Centers Expansion	\$470,793
	JROTC/NDCC Program	\$150,000
CRT Professional Development	Equity Specialist Expansion	\$175,347
Elementary World Language Program	FLES Staffing	\$101,353
Total		\$897,492

The four proposals in support of engaging every student aim to facilitate more focused professional development and special programming creation and expansion. For example, a proposal to expand their Equity Specialist staffing would address an increased demand for high-quality professional training around Culturally Responsive Teaching or CRT.

The next slide contained a chart entitled “We Will Implement Balanced Assessments”:

Strategic Decision-Making	Data and Reporting Specialist and System	\$219,478
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Mr. Alcaro said they are putting forward only one proposal in alignment with their commitment to implement balanced assessments. He said funding a Data and Reporting Specialist and System will enable the division to make more meaningful connections between the data they collect and school operations. The division collects data about many aspects of the school division, from student grades and assessments to enrollment and attendance, from employee information to finance to school bus cycles, but almost none of it is integrated to help the division to make better decisions, and this proposal was an avenue to change that.

The next slide contained a chart entitled “We Will Improve Opportunity and Achievement”:

Safety and Well-Being \$190,460	Elem. School Counselors Part-Time to Full-Time Middle School Student Support Counselor School Safety Coordinator Anonymous Reporting App	 \$76,184 \$74,275 \$10,000
Student Well-Being and Success	Gifted Education Program Redesign STEP Program Expansion First School Pilot Program	\$105,682 \$76,812 \$5,000
Total		\$538,413

Mr. Alcaro said that the division knows that one of the key factors in student learning is the student's social and emotional well-being. They also know that providing a safe and stable environment helps remove barriers to student achievement and helps teachers, support staff, and administrators create and maintain a positive climate. All seven proposals aligned to the division's commitment to improve opportunity and achievement are specific to student well-being.

The first of these proposals involves promoting wellness and access to mental health support at five small elementary schools by increasing counselor staffing from part-time to full-time. Another proposal improves student safety and well-being by hiring a School Safety Coordinator to improve and manage the division's school safety program, including crisis management. When this position is filled they will have all of the best practices for school safety, as outlined in the article sent by Ms. Mallek.

Mr. Alcaro said a third proposal provides the opportunity to reform their gifted education program. Not quite 10% of the division's students are identified as gifted, and 82% of those students are white. The division wants to shift their gifted model from one that provides extra time and support to a few students with specific gifts to one that acknowledges that every single child has a gift that the division can support with attention and encouragement. To be clear, students who excel academically always will be supported through accelerated programming, but as the Superintendent so aptly said in his presentation to the School Board, "Let's begin looking for gifted behaviors that all students can develop, rather than only looking for gifted individuals."

The next slide contained a chart entitled "We Will Create and Expand Partnerships":

Community Engagement	Website Management and Communication Upgrade	\$100,000
Student Well-Being and Success	Work-based Learning Management Tool	\$20,000
Total		\$120,000

Mr. Alcaro said two of the division's new proposals aim to create and expand partnerships. The Work-Based Learning Management Tool, for example, will help the division facilitate meaningful work-based learning experiences for their students, with the ultimate goal of helping them master the lifelong-learning skills they need to succeed as 21st century learners, workers and citizens. In order to make this a reality, the division needs to build and foster more business and community partnerships, and they need an infrastructure in place that will connect their learners with work-based learning opportunities like internships, mentorships, job shadowing, apprenticeships, and other experiences related to a student's career goals or interests.

The next slide contained a chart entitled "We Will Optimize Resources":

Transportation Services Research-Based Best Practices	Bus Driver Compensation Education Advisory Board Membership	\$645,550 \$25,000
Substitute Program Support Services	Program Improvements (Phase 1) Financial Analyst	\$123,184 \$102,070
Employee Well-Being and Job Satisfaction	Human Resources Spec. II Reduced Tuition for Children of Employees	\$63,501 \$
Total		\$959,305

Mr. Alcaro said in support of the division's fifth and final objective, they are putting forth six proposals to help them optimize resources. The biggest ticket item on the list proposes strengthening their bus driver compensation model as a means to attract and retain qualified bus drivers. Mr. Alcaro said he does not think it is a secret that the division has struggled in this area; in fact, earlier this school year, the division reached a peak of 14 bus driver vacancies. What the Board may not know, however, is that, as a result, it has been necessary to reduce transportation services for extracurricular activities such as field trips and after-school tutoring and to lengthen bus ride times for some students by as much as 30 minutes. The reality is that the division is competing with several other area transportation service providers, and they currently offer among the lowest salaries for drivers.

Mr. Alcaro said one final proposal he wants to highlight improves employee well-being and job satisfaction without contributing to the division's expenditure increase. Through this proposal, they would reduce annual tuition fees for the children of employees who live out of district from \$5,400 to \$1,000. As a note of clarification, this benefit would extend to Local Government employees as well.

Mr. Paige resumed the presentation. He presented a slide entitled "Summary: Advancing Strategic Objectives":

	FTE	FTE Cost	Operating	Total
Engage Every Student	8.01	\$606,204	\$291,288	\$897,492
Implement balanced assessments	1	\$99,478	\$120,000	\$219,478
Improve opportunity & achievement	6.5	\$523,413	\$15,000	\$538,413
Create and expand partnerships	0	\$	\$120,000	\$120,000
Optimize resources	3	\$238,497	\$720,808	\$959,305
Total	18.51	\$1,467,592	\$1,267,096	\$2,734,688

Mr. Paige said this was a summary of the staffing and operational funding needed for all 20 proposals aimed toward advancing the Board's five strategic objectives, with a total cost of \$2.7 million. As the division implements each of these proposals, it would evaluate their progress based on the established SMART goals (goals that are Specific, Measurable, Attainable, Realistic, and Timely), and in accordance, they will adjust, expand or abandon strategy. For more details about any of the 20 new proposals, he encouraged the Board to refer to Section A of the School Board's budget book.

Mr. Paige said, "*A rising tide lifts all boats*". While he did not author the phrase, President Kennedy often was credited with popularizing it and he first used it in 1963 when speaking about the merits of a new dam in Arkansas, and his point was that what was good for Heber Springs, Arkansas, would benefit the entire region. Likewise, the division's spin-off, "*The rising tide lifts us all*", recognizes that what is good for the students in County schools would benefit the community as a whole.

When he presented his funding request to the School Board, Mr. Haas shared stories of two of their students. He spoke about Sadie, a Western Albemarle senior who is pursuing her passions of art and science at the division's Environmental Studies Academy as well as Center One, their pilot program for contemporary high school. Sadie has been offered scholarships by two universities and credits her success to the opportunities available to her through such customized programming. In Sadie's words, "It is seriously a dream come true." Mr. Haas also shared the success story of Albemarle High School senior class president and athlete, Marquan. Marquan began participating in the division's Advancement Via Individual Determination program, known as AVID, as a middle-schooler and now feels prepared for the next big phase of his life as a soon-to-be first-generation college student with multiple college acceptances from which to choose.

Mr. Paige stated that as they reflect on the division's strategic direction, specifically the priorities of creating a culture of high expectations; eliminating practices that sustain the achievement gap; and ensuring that every student has the opportunity to discover his or her passions and pursue them, the division envisions a reality in which each student develops the skills he or she needs to thrive in a rapidly changing world. The School Division envisions many more success stories like those of Sadie and Marquan. If they adequately support these priorities through focused energy and resources, the division can lift every student; they can lift our community.

Mr. Alcaro concluded the presentation and requested on behalf of the School Board that the Board of Supervisors support this needs-based funding request and the strategies, priorities, and solutions it offers for bringing a more prosperous future to the County and residents. He invited questions.

Ms. Palmer observed that the division proposes to reduce the cost of tuition for non-County residents and asked if the General Government could do this now. Mr. Alcaro responded that he believes it was available to General Government at the same price level: \$5,400. Mr. Haas responded that General Government could do this now. The rate for employees was one-half the local share for the first child and one-half thereafter, so that a County employee residing outside the County who wants to enroll two children in the schools would incur a cost of around \$8,000–\$9,000. He said there are 24 children of non-resident County employees in the schools. He noted that in 2011, the division conducted a study and found that tuition between \$1,000–\$1,500 would double the number of students of employees and they believed they could end up with about 48–50 students who would take advantage of this. He emphasized that a survey of employees found that people do not typically do this unless they feel they need to, most are satisfied with schools in their community, and the County saw this as a way to retain high-quality teachers, as many good teachers are just starting out and could not afford a home in the County. He noted that the City of Charlottesville allows anyone to pay tuition to attend its schools at a rate that was much less than what Albemarle currently charges its employees, and he would like to be able to retain those teachers.

Ms. Palmer referred to the graph of SOL performance and asked if the comparison of Albemarle County student performance was with specific peer schools or with the entire state. She asked why other places in Virginia are doing better than Albemarle. Mr. Haas clarified that the comparison was with state averages. He explained that there has been a mantra in the County that tests do not matter, as high-stakes tests can be detrimental in some respects, though it was Virginia's way of assessing whether or not they are teaching the Virginia curriculum. He said the division has been trying to alleviate the stress of performing on the test and that some staff may think they do not need to teach the curriculum. He

remarked that the 67% pass rate of African-American students means that by and large, they have not been exposed to the full curriculum. He explained that 9 or 10 years ago, they had common assessments, SOL standards across the division, and an emphasis on professional learning community in the schools. He said they also ensures that teachers are pacing the curriculum to cover all standards, much of which has gone by the wayside over the past several years, though his intention was to make sure students are exposed to the full curriculum.

Ms. Palmer asked for confirmation that not teaching to the test does not necessarily mean that students are not receiving a first-rate education. Mr. Haas responded that the test measures the standards. He explained that teaching to the test means going through tests question by question. He said they want teachers to teach to the high-quality Virginia curriculum standards. He agrees with Ms. Palmer's assessment and said that students learn every day and the division has great teachers, but the administration has not provided the focus to teachers to emphasize the tests. He remarked that they have a great school system and provides a lot of great programs, though they are not doing great with the SOL, but they could and would.

Ms. Palmer asked what kinds of changes would be required to teach to the state standards. Mr. Haas responded that primarily this requires accountability. He says the division requires every school to conduct a mid-year math and reading assessment to see if they are on pace to cover the full curriculum prior to testing in May, though he finds that some principals are conducting the assessments in March. He explained that a mid-year review with central office and assessment staff was required of teachers where performance data was analyzed and strategies to cover the full curriculum are identified.

Mr. Paige added that culturally-responsive teaching may help to address this as well.

Mr. Haas emphasized that everything in the School Board's budget request was directed towards improving student performance, especially populations that have been marginalized in the past.

Mr. Dill asked if the counselors converting from half-time to full-time are academic counselors or those who assist students with disabilities. Mr. Haas responded that they do both. He said the County's counselor-to-student ratio was below state recommendations for Standards of Quality. He said they believe it was hard for students to learn when their social and emotional needs are not met, and they are looking to have counselor coverage every day. He remarked that at the high school level, counselors help students think about their dreams and possibilities, and to reach their goals. He remarked that the school system, over time, has become one that emphasizes a lot, more than just applying for college.

Mr. Gallaway asked which other schools would get full-time counselors. Mr. Haas named Red Hill, Scottsville, Broadus Wood, and Stony Point. He added that this would help the schools hold on to some really good counselors who might have moved to other districts for full-time work after gaining experience.

Ms. McKeel asked for an update on the elementary school world language program. Mr. Haas responded that Cale was a FLES school (foreign language elementary school), which offers both the teaching of a foreign language as a subject as well as an immersion program. He said this works well there because of the predominance of Latino students. He continued that Meriwether Lewis and Woodbrook are in the process of establishing FLES programs, with French offered at Meriwether Lewis and Spanish at Woodbrook. He named Murray and Crozet as additional schools that would establish programs in the future.

Ms. McKeel asked what triggers the program in an elementary school. Mr. Haas responded that the request comes from staff.

Mr. Gallaway indicated that he has a question posed by a constituent. He noted the division has projected an increase of 33 students and 16.19 full-time equivalents at about \$38,000 per kid, which was double the average. He asked if this was because the students are economically disadvantaged. Mr. Haas responded that this was a partial explanation and that new students land in different ways at different schools and has special needs. It brings in different kinds of support staff such as A and B Based Programs as the population of special needs and English learner students grew. He pointed out that in some years, the cost per new student was less and this was not always an easy correspondence. He added that the division was working on a staffing standards document for every position in the school system, and they need to be transparent and be able to respond to questions.

Mr. Gallaway suggested that the school division track the cost avoidance of what the \$5,000 First School Pilot Program would yield. He said he suspects that the savings would far exceed \$5,000, which he said was an important story to tell and could show how a little bit of money can go a long way.

Ms. McKeel suggested that Mr. Gallaway explain what the pilot program was.

Mr. Gallaway explained that the First School Pilot Program keeps a student in one school, even if the student has moved to an area serviced by another school.

Mr. Haas added that this year the pilot was only for kindergarten within three urban-ring schools (Woodbrook, Agnor-Hurt, Greer) in the northern pattern. He noted that last year, 24 students moved among these three schools. He explained that national research shows that primary school students that move among schools, if they have other associated risk factors, could lose 30% of their growth. He said they saw kindergarten as a place to start because the teacher was an anchor point for a child, and even if

they could only do this for kindergarten, he believes it would help reduce the impact for those kids. He noted that he has spoken with Charlottesville School Superintendent, Rosa Atkins, and they may also look to do this at Greenbrier. He said that part of the reason for why they want to bring on a data analytics person was to track this.

Ms. McKeel asked for an update on the funding gap, recognizing that they do not know what the state contribution would be. Mr. Haas remarked that the division was in good shape and it was a needs-based budget. The division pushed out beyond the additional revenue, and they anticipate that competitive school divisions in their market also plan to significantly increase teacher salaries. He reminded the Board that last year a number of teachers received significant raises because of the work the County did with the teacher's scale. He said they also want to increase compensation for some hard to fill classified staff that are not compensated adequately.

Ms. McKeel remarked that the Board should have one more update from the state and Mr. Richardson's staff would review it again, as it did last year. Mr. Haas commented that it has been great working with Mr. Richardson's team in a collaborative and transparent manner.

Ms. Mallek stated that the way Mr. Haas and the division have laid out the descriptions and changes have been very helpful and comprehensive.

Agenda Item No. 3. Closed Meeting.

Mr. Gallaway asked if there was still need for Closed Meeting. Mr. Kamptner responded that the items are not time sensitive, but staff would need to do them on either February 26 or February 28, 2019. Mr. Gallaway stated that one of the Supervisors need to leave at 6:00 p.m. Board members agreed to take up one issue tonight and determine a time for the other issue at another meeting.

At 5:43 p.m., Mr. Dill **moved** that the Board go into a Closed Meeting pursuant to Section 2.23711(A) of the Code of Virginia,

- 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.

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.

Agenda Item No. 4. Certify Closed Meeting.

At 6:06 p.m., Mr. Dill **moved** that the Board certify 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 and Mr. Dill.
NAYS: None.
ABSENT: Mr. Randolph.

Mr. Gallaway noted that Mr. Randolph left prior to the roll call.

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 26, 2019, 5:00 p.m., Room 241.

At 6:08 p.m., Mr. Gallaway adjourned the meeting to February 26, 2019, 5:00 p.m., Room 241.

Chairman

Approved by Board
Date 7/3/2019
Initials CKB