

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on May 9, 2019, at 3:30 p.m., Lane Auditorium, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from May 1, 2019.

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, Assistant County Executive, Trevor Henry, Director, Office of Management and Budget, Lori Allshouse, Chief Financial Officer, Bill Letteri, County Attorney, Greg Kamptner, Clerk, Claudette Borgersen, and Senior Deputy Clerk, Travis O. Morris.

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SCHOOL BOARD MEMBERS PRESENT: Ms. Kate Acuff, Mr. Jonathan Alcaro, Mr. Jason Buyaki, Ms. Katrina Callsen, Mr. Stephen Koleszar and Mr. Graham Paige.

ABSENT: Mr. David Oberg.

SCHOOL STAFF PRESENT: Matthew Haas, Superintendent, Rosalyn Schmitt, Chief Operating Officer, Ross Holden, School Board Attorney, and Jennifer Johnston, Clerk.

Agenda Item No. 1. Call to Order. The meeting was called to order at 3:30 p.m., by the Chair of the Board, Mr. Gallaway, and Chair of the School Board, Mr. Alcaro.

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Agenda Item No. 2. Meeting Overview.

Mr. Gallaway welcomed the members of the CIP Oversight Committee, presiding security officers, Lt. Terry Walls and Officer Laura Proffitt, Board, School Board and County staff present.

Mr. Gallaway stated that, after providing a brief recap, the purpose of this afternoon would be to work on the Capital Improvement Plan (CIP) process. Mr. Gallaway remarked that the Board of Supervisors, School Board and Planning Commission work jointly to develop the CIP. He said that the Board believes that it can learn from the past and transform how they work together in ways that will improve collaboration and processes for the benefit of the community.

Mr. Gallaway said that in the Spring of 2018, after the normal CIP development process had ended, nine additional meetings were held to further discuss needs, prioritized the CIP in consideration of its policy and affordability constraints. Mr. Gallaway added that a great deal of time was also spent discussing whether a potential bond referendum for school and quality of life projects would be pursued. He said in September 2018 the School Board and Board of Supervisors came together to debrief, and vowed to increase communication, while acknowledging that the School Board focuses on needs-based requests and the Board of Supervisors focuses on balancing the budget. He said the two groups also discussed the value of public/private partnerships that may assist in the capital needs of the County in the future. He said a joint Board meeting was held in November 2018 and the public/private partnerships discussion continued. He said in January 2019 the Oversight Committee suggested that the two Boards, along with members of the CIP Oversight Committee, meet at an earlier date in the 2019 CIP development process to reconceptualize how the capital and operating budgets would be planned, conduct shared visioning and shared priorities. He said the Board of Supervisors then agreed in March 2019 to plan today's joint meeting.

Mr. Alcaro reminded the Boards that this was the kickoff for the next CIP development process. Mr. Alcaro presented desired outcomes for the meeting: continue efforts for the two Boards to work together and build commonality, reconceptualize the way the County approaches capital planning, understand the current state of the CIP, identify affordability constraints in the context of growth and needs. He said this includes determining a maximum equivalent tax rate for planning purposes, hold initial brainstorming options on items such as funding options, tools and alternatives, and consider adoption of the Public Private Education Act (PPEA) project guidelines.

Mr. Alcaro stated that, at a staff level, schools and local government are working hard to change from a transactional relationship to a transformative relationship thanks to the leadership of Mr. Richardson and Dr. Haas. He said that he hopes that the two Boards can make that commitment, as well.

Ms. Rosalyn Schmitt, Chief Operating Officer of the School Division, introduced herself and stated that she would be joined by Ms. Allshouse in the presentation. She shared a visual with the Board that she believes represents the discussion the School Board previously had about having a better group conversation. She stated that it was representative of the need for the two Boards to work together during their development process. She stated that it was important for this meeting to be action-oriented.

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Agenda Item No. 3. FY 21- FY 25 CIP Development Process.

The Executive Summary forwarded to the Board states that on September 27, 2018, the Board of Supervisors and the School Board met together to review the FY 20 - FY 24 CIP development schedule and to improve members' understanding of debt capacity and affordability. At that meeting, the two

Boards also discussed ways to work together in the future to address capital needs while being mindful of the operational needs of our growing community and received information about Public Private Partnerships (P3s) and the Public Private Education Act (PPEA).

On November 5, 2018, the two Boards met again to further discuss P3s and the PPEA, to discuss staff compensation and benefits, to review long-range revenue assumptions and to receive information from the School Board regarding the School Division's Five-Year Operational Financial Plan. The Board of Supervisors reviewed the General Fund's Five-Year Operational Financial Plan in December.

In January 2019, the CIP Oversight Committee (OC), which includes two members of the School Board, two members of the Board of Supervisors, a member of the Planning Commission, and a citizen representative, recommended that the OC hold a discussion with the Board of Supervisors and the School Board in May or June to: conduct a shared strategic visioning session, allow both boards to learn what the capital needs are for local government and for the schools, clarify shared priorities, discuss ways to prioritize the projects in the CIP in consideration of possible revenue fluctuations (such as revenue downturn or unexpected revenue growth) that may occur in the future, and to consider reconceptualizing the way the County approaches planning for capital and operating budgets.

On March 20, the Board of Supervisors began planning ahead for the FY 21 - FY 25 CIP development process and directed staff to schedule a work session for the Board of Supervisors, the School Board, and the OC in May or June 2019 pursuant to the OC's recommendation.

A work session will be held on May 9 from 4:00 to 6:00 p.m. The work session topics are anticipated to include 1) reconceptualizing the way the County approaches planning for capital and operating budgets, 2) continuing efforts to work together towards addressing the community's capital needs in consideration of the County's affordability constraints, 3) approval of the FY 21 - FY 25 CIP development process, and 4) the Board of Supervisors' and School Boards' receipt and potential approval of the PPEA project guidelines. Attachment A includes the FY 20-FY 24 CIP Expenditure Summary which provides the names of the projects included in the current baseline CIP.

The County's CIP serves as a planning and implementation tool for the acquisition, development, construction, maintenance and renovation of public facilities, infrastructure, and capital equipment for a five-year period.

Staff recommends that the Board of Supervisors, the School Board, and the OC utilize this work session to continue efforts to work together towards addressing the community's capital needs in consideration of the County's affordability constraints, reconceptualize the way the County approaches planning for capital and operating budgets, and approve the CIP development process for FY 21 - FY 25 and that the Board of Supervisors and the School Board approve the Public Private Education Act (PPEA) project guidelines.

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Ms. Schmitt presented a flowchart that details the old CIP process. She stated that the new CIP processing differs from the old version by meeting with the Board of Supervisors and School Board in the beginning of the process.

Ms. Schmitt stated that multiple stakeholders and the Oversight Committee (OC) recommended the new proposed process and the School Board will be asking for action from the Board of Supervisors during the meeting. She stated that it is important for the Boards to be working jointly in order for the CIP program to be effective. She explained that after the current meeting, the Boards would have the opportunity to discuss which projects they want to prioritize for the CIP. She said there will be a follow-up meeting in September 2019 to share the priorities of each entity and create a better dialogue between the Boards. She said there will also be a follow-up on the strategies discussion. She said in October 2019 there will be a CIP Advisory Committee composed of two School Board representatives, two Board of Supervisors representatives, a Planning Commission member and a community member. She said the discussion today will be about a maximum equivalent tax rate; staff envisions the Committee to be empowered to produce scenarios and options for the Boards to consider. She said in November 2019 there will be a third joint work session in which operational needs will be discussed as well as a capital budget. She said a recommended 5-year CIP should be considered during that meeting, and a capital budget adopted in April 2020.

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#### Agenda Item No. 4. Current State of CIP (FY 20 – FY 24).

Ms. Allshouse thanked the Boards for attending the meeting.

Ms. Allshouse stated that the current CIP for FY20-24 is \$207.6 million. She explained the importance of this chart being shared was the items colored in the lines meant it was funded and a box without color meant that it was unfunded, which was just for display purposes. She noted that this was illustrative and does not include every single project, but it is a neat way to set back and look at the CIP in its entirety together. She stated that maintenance of school properties such as buildings, buses, technology needs, and emergency equipment was fully funded, as well as High School Center 2 and the courts project. She said there was \$12 million of additional money included in the CIP that has yet to be distributed by the School Board. Ms. Allshouse noted that there are a number of items not included in the CIP, including elementary school capacity, and school renovation and modernization.

Ms. Allshouse reported that \$6 million was put toward quality-of-life bike/ped projects coming in FY21. She reported that transportation leveraging project, formerly transportation revenue sharing, is budgeted for FY20, but there is no further funding for it after that year. She reported the ACE program will be funded \$500,000 per year through FY23; \$6 million is in the CIP for Parks and Rec quality of life projects for the first year of the current CIP, there is no additional funding after. She noted that water resources have a bridge year budgeted for FY20, but there was no funding after that year. She said there was \$50,000 put in the CIP for evidence storage study, but there is not enough funding in the CIP to build that, and there is a \$2 million reserve for advancing strategic priorities that shows up in FY20.

Ms. Allshouse asked the Board to reflect on the current CIP and share their thoughts on the information.

Ms. Palmer asked Ms. Allshouse to explain what the school renovation and modernization projects entailed, as the modernization project was first implemented in 2016 as part of a referendum. Ms. Allshouse responded that this shows FY20-24 and many CIP projects are multi-year projects, and modernization efforts were first funded in 2016 and some were completed, but this is an ongoing project.

Ms. Schmitt explained that two years of modernization, funded through the referendum, have been completed but there are renovation needs in many other facilities and there is a 10-year plan of renovations and modernization.

Ms. Palmer asked if the \$12 million reserve in the CIP could be used for the renovations and modernization. Ms. Schmitt clarified that the \$12 million has yet to be dispersed by the School Board and that money does not meet all of the needs of the ongoing projects. She stated that the School Board would be submitting a proposal to amend that amount in order to meet the needs of the schools.

Ms. Palmer asked if a blank section for FY20-24 in the graphic in the presentation is more than \$12 million. Ms. Schmitt confirmed that it is more than \$12 million.

Mr. Paige asked what the ACE acronym stands for. Ms. Allshouse stated that it stands for Acquisition of Conservation Easements.

Mr. Randolph asked if the operational support for High School Center 2 was part of the CIP because operational support is not usually included in the capital budget. Ms. Allshouse explained that in FY21, there was a 2.3-cent estimate on the tax rate, with 0.8-cent of that estimated for the operational costs associated with opening High School Center 2. She said that higher operational costs that would be incurred while opening the new facility are planned for, as is the case with atypical costs associated with new capital projects.

Mr. Randolph asked if there was going to be a 1.5-cent CIP cost and a 0.8-cent tax increase on the school side for the increased operational costs for FY21 to open the second center. Ms. Allshouse stated that the total 2.3 cents noted on the presentation infographic includes the 0.8 cents in the CIP, with 1.5-cent going to the capital and debt program and 0.8-cent going to operational all associated with this capital program. Mr. Randolph stated that he wants to make it very clear that operational costs of 0.8 cents are not normally part of the CIP for FY21. Ms. Allshouse stated that she understands, and operational costs are included here in order for those costs to be discussed in conjunction with the CIP.

Mr. Koleszar asked if the chart was correct in showing that maintenance and the ACE program would receive the majority of the funding for the CIP. Ms. Allshouse confirmed that maintenance and replacement of equipment was the main priority of the CIP and has been for years prior, that adding new projects into the CIP was not a common occurrence.

Ms. Mallek asked if the projects given a budget in the 2016 referendum would be completed by the end of FY20. Ms. Schmitt stated that 95% of the projects funded by the 2016 referendum would be completed by the end of Summer 2019, with the opening of the Western addition, and two or three minor renovations would happen in Summer 2020.

Ms. Allshouse commented that the CIP is meant to analyze the current budget, and there may be ongoing projects that continue into the FY20 fiscal year.

Mr. Randolph said that an additional penny on the tax rate would generate \$1.9 million and asked if there has been past precedent on using CIP funds for the operational costs for a new building. Ms. Schmitt stated that the 0.8 cents noted in the CIP for operational costs is not coming from the capital budget but is modeled in order to fully understand the costs of opening a new high school center.

Ms. Allshouse reiterated that it was intended to show the operational impact associated with a capital project, which the County has done in the past to ensure that the public knows there would be this impact.

Mr. Koleszar expressed concern that the 0.8 cents was a high operational cost for opening a new school. Ms. Allshouse stated that the operational costs are projected based on initial information from the School Division and may need to be adjusted before finalization.

Mr. Koleszar said that in theory, new resources going into that would reduce existing resources in the current high school. Ms. Schmitt clarified that the overhead costs are non-variables, such as a

director, nurse, office assistant, and lead custodian, and those would be required with opening a new school.

Ms. McKeel asked if it was correct that no CIP funds would be used for the operational costs.

Mr. Randolph asked if the 2.3-cent tax rate on the infographic included 0.8 cents of new revenue to cover the operational costs.

Mr. Buyaki stated that he understands the information to mean a proposed tax increase put on the taxpayers, and how it gets parsed out was up to the Board of Supervisors.

Mr. Randolph said that would mean 0.8 cents generated for operational, with a need to dedicate an additional 1.5 cents on the capital side, which suggests to him that they would take that out of existing funds in the CIP. He noted that a future Board would not be in a position to do that, so that would mean a 1.5-cent increase for the CIP.

Ms. Allshouse stated that the 2.3 cents is a planning number based on modeling of the total tax rate increase that would be necessary for opening the school; 1.5 cents would be out of the CIP and the 0.8 cents was an initial number from the School Division that was based on other factors that may need scrubbing at a later date.

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Agenda Item No. 5. Affordability Constraints of the Community's Capital Needs.

- Understand our affordability constraints in context of the community's capital needs
- Determine maximum equivalent tax rate for the CIP over a FY 21 – FY 27 timeframe
- Hold initial brainstorm – funding options, tools and alternatives

Ms. Allshouse stated that the affordability and capacity of the CIP are important to discuss at the beginning of the process rather than at the end. She said that some considerations are physical capacity of institutions, debt capacity, and affordability for taxpayers. She noted that the population of Albemarle County is projected to continue growing, and the five-year financial forecast for the schools projects a potential gap during FY23-FY24. She said this does not include all of the school's initiatives and was based solely on the school's general operation and capacity based on growth. She shared another graphic that shows a five-year financial plan for operating costs with capital funds as well. She stated that they also see a gap in that five-year plan. She said there is existing debt in the County from past capital projects that total \$192 million, with projected new debt of \$165.6 million and some retiring debt of \$117 million over the next five years. She noted that there is a \$239.8 million debt for the FY19-FY24 fiscal years for the school and general government.

Ms. Allshouse stated the first part of their affordability conversation is called "providing direction on the maximum equivalent tax rate," which aims to determine how many additional resources would be required based on current modeling. She said it is important to have an initial brainstorming session for the cycle, and they would discuss three potential levels of funding that are based on modeling scenarios and contain modeling assumptions. She stated that they would use a "think, pair, share" approach, and Board members would confer amongst themselves to discuss the presentation material and voice what they think is important to talk about further for planning purposes. She also stated that it might be useful to discuss other funding tools, options, and alternatives.

Ms. Allshouse then presented a graphic of the current state of funding, followed by a Level 1 scenario model for FY21-27, with assumptions of adding \$3 million or an additional \$21 million to the budget over a seven-year period, for a \$227 million total project cost and an additional tax rate of 3.0-5.0 cents. She then showed a Level 2 scenario with a \$61-million increase over 7 years and 4.5-6.0 cents on an equivalent tax rate. She presented a final scenario of an additional \$101 million dollars over 7 years and a 5.5-7.0 cent increase on the tax rate. She asked the School Board and Board of Supervisors to discuss the scenario as a good planning goal.

Ms. Mallek asked if the estimated pennies on the tax rate a one-time increase or every year increase. Ms. Allshouse responded that it was a total increase over the seven years.

School Board and Board of Supervisors members then broke into paired groups and proceeded with the "think, pair, and share" exercise, which lasted for approximately ten minutes.

Ms. Allshouse then asked the Boards' members to share their ideas.

Mr. Buyaki stated that the format of the presentation of the information was helpful and important for the planning process, but that they needed more time. He stated that completion of projects on time and within the budget should be prioritized and opening new projects should be done with care.

Ms. Mallek stated that making sure that everything is done well and correctly is important because shareholders want the government to use tax dollars responsibly and thus establish a stronger relationship between citizens and the government.

Mr. Dill agreed that summed it up well.

Ms. Palmer stated that her team feels that a comfortable tax rate increase for the projected seven-year plan was around 4.5 cents based on other tax factors and agrees that taking time to finish

projects before beginning new ones was important. She noted that the 2.5% increase in assessments was built into the model, and it was important to go slowly and do things right.

Ms. Allshouse asked for clarification if a higher tax rate of upwards of 6 cents would be admissible for the \$61 million budget. Ms. Palmer stated that they discussed the low end with 4.5 cents, and they were not doing a range as being the most comfortable.

Ms. McKeel asked if she understood the goal of the discussion as determining a comfortable tax range for the current CIP. Mr. Dill responded that he and Ms. Mallek felt they should compromise and go with a penny or two along the way.

Ms. McKeel said that a penny or two would be at Level 1. Ms. Mallek clarified that the current CIP in the infographic shows a 2.5-cent increase above where they are today.

Ms. Palmer stated that the modeling may need to be readjusted, but the planned tax rate would be 2.3 cents next year and the model is meant to see what should be done after the next year.

Mr. Randolph said that the only problem he has was when they are doing pennies, if they do not indicate the level they are supporting, they would not have a clear idea of additional resources that would be generated. He noted that 4.5 cents could be Level 1, as it has a range of 3-5 pennies, but it would only generate \$21 million in new funding over seven years; Level 2 could generate as much as \$61 million over seven years.

Ms. Allshouse asked for the next group's comments.

Mr. Gallaway stated that his group feels that Level 2 has some comfort for planning purposes. He said his group had unanimously comfort with Level 1 and unanimous discomfort with Level 3.

Mr. Alcaro stated that he was interested in a Level 2 model because starting with a higher budget and working down towards a more reasonable one is a better plan than starting with a low budget.

Ms. Callsen stated that she would rather have more certainty over what the tax range numbers would fully affect in the process, because you could have a tax rate increase of 4.5 cents and only get \$21 million over seven years. She added that a more prudent perspective would be a Level 1 scenario, given political will and other factors.

Ms. Acuff stated that they only have guesstimates for the projects that are continuously underfunded, and the only reasonable model for dealing with the issues that the school district has is a Level 2 scenario. Ms. McKeel agreed.

Mr. Koelszar stated that he discussed with other Board members that they were confident in working towards a Level 2 model because there are still many school projects that are unfunded, and \$21 million over seven years would not be sufficient.

Mr. Randolph stated that there is a need for funded projects that are between a Level 2 and Level 3 tax rate. He stated that there are many things that are unaccounted for and that a minimum of \$53 million was necessary, without including things such as Parks and Rec or facilities management.

Ms. Allshouse asked if Level 2 was the primary choice of the Board members. Mr. Gallaway suggested that some people agreed with Level 2, but there was also some consensus that Level 1 was appropriate.

Ms. Palmer stated that she did not understand the overlap between the funds.

Mr. Gallaway stated that what needs to be provided to staff for planning is to have some consensus over which level should be used to begin the process. He clarified that none of this is deliberate, and there would be no vote on this material.

Mr. Koleszar commented that the range comes about if they raise the tax rate earlier and have a higher tax rate for a longer period.

Mr. Gallaway noted that what they are suggesting today was how long the funnel was, and they have at least enough of an idea, but Ms. Allshouse would have to answer whether they do.

Ms. Allshouse stated that this discussion was useful and would be important in the beginning stages of planning and thanked the Boards for their time.

Mr. Gallaway stated that there would be more discussion in the future and the political reality of the planning process would happen during determining budget, with the Board of Supervisors having a new composition the next time they make fiscal decisions. Mr. Gallaway thanked everyone for their comments.

Ms. Allshouse invited other comments before moving on.

Mr. Bruce Dotson, of the Planning Commission, stated that a potential next step would be to play out one of the scenarios to see what can be obtained by abiding by the models' budget. He suggested it

may be important to compare this plan to other localities in order to look at growth in a different way to give some context for thinking about this.

Ms. McKeel commented that it was important to benchmark against the right communities as comparisons.

Ms. Palmer noted that the capital budget for 2020 includes a page with all those comparisons.

Ms. Allshouse said that they used to have one for just the tax rate but did not have one with this budget year, although they could include it.

Mr. Alcaro commented that this was a good process for kicking off what they were trying to do including commonality of Supervisors and School Board members in their magisterial districts.

Mr. Koleszar stated that it would have been helpful to have ranges for the unfunded projects because it is difficult to talk about how many additional million dollars are needed when they are going from memory and the figures are not provided with the charts.

Ms. Acuff stated that it could be difficult to differentiate the capital and operational costs, and one example was when the schools built out rented space, which was a cost savings, but that buildout was all done on the operating side and not accounted for in capital.

Ms. Mallek suggested that there are other parallel tracks that she hopes the Boards would make progress on in the summer and fall, including tax waivers specifically for very elderly people who do not currently qualify. She stated that an improvement to that program would make many more things possible for the County.

Mr. Dill stated that the school budget is difficult to address in such a specific way when it is not clear what effects it would have on the overall climate change and sustainability goal of the Board of Supervisors.

Ms. Allshouse commented that the ideas being discussed are important and the conversation was a good way to continue a dialogue about the planning process. She brought up a list of ideas from other meetings and asked the Board members to brainstorm and add more ideas to the list. She gave out green, yellow, blue and black voting pieces with assigned values of 3, 2, 1, and 0, respectively. She asked the Board members to prioritize the ideas with these voting pieces.

Ms. Allshouse said that some of the ideas raised previously include promoting shared legislative priorities, establish service districts within the County, a referendum, reduce operating budgets, expand local grant funding, prepare for economic downturns, i.e., build reserves, consider leasing facilities instead of building more facilities, review prioritization of maintenance/replacement funding and encourage use of public-private partnerships. She asked the Boards if they had any other ideas they wanted to put on the list.

Mr. Koleszar stated that investing in solar power for the schools should be added as a priority. He also stated that selling excess land could potentially be a new source of revenue, which technically is preparing for a downturn.

Mr. Alcaro said ending the revenue-sharing agreement.

Mr. Paige suggested adjustments to the land use tax easement program that could increase funds in some way.

Mr. Randolph stated that it was important to communicate effectively on an annual basis with the citizens as to why such a wide range of projects are being funded and what their tax dollars are being used for.

Ms. Acuff stated that being behind on capital projects and underfunding capital has set the County behind, and a strategic plan is important in order to finish projects effectively and without overspending. She stated that over 1,000 students have been added to the School Division and only one addition has been completed in the past decade. She stated that these things have not been adequately communicated.

Mr. Alcaro agreed that communication with the community is essential, especially as it relates to value, adding that the Board was responsible for communicating with the public, but everyone could participate in that. He also agrees with Ms. Mallek's tax waiver program for lower-income households.

Mr. Dotson suggested that another possible tool would be to work with other communities at the state legislature for impact fees and further modified legislation. Mr. Randolph commented that those legislative priorities are on the Board's agenda.

Mr. Dill stated that evaluating the sustainability aspects of the planning process in addition to financial aspects should be discussed. He stated that renewable energy would be increasingly important in future projects.

Mr. Gallaway commented that many of the findings from a 2015 citizen's resources advisory committee study appear in the list currently being discussed. He pointed out the Tier 1 suggestions were broken down by strategies, revenue generating tools and process tools. He stated that a service district would be an example of a process tool; the revenue generating tool some of it is limited by the state and the same with a mission's tax, cigarette tax, etc. He said there are things that they can look at, such as investment of funds. He noted the first item on their Tier 1 strategy was economic development and that is an effective strategy for our county, which pulling that off is really what is going to keep us at the lower end of those ranges that we saw on the previous chart. He recommended reviewing those findings to see if any would be applicable in the planning process. He commented that business process optimization could be undertaken during the cycle may allow people to take on a different operating burden and not cut people out of operations completely. He said it is not necessarily the losing of staff, but it is changing the position, and if you can optimize some positions that you don't need the human touch for and move that over to another piece it allows you maybe to take on a different operating burden. He said so finding those type of process optimization could help us with capacity as well. He said that reduced operating budget is really about effective use of what your operating budget is. He added that using the same language in the meetings is important so that everyone understands what is being discussed.

Ms. McKeel stated that communication is a very important factor because there is community pushback around economic development. She added that there should be more communication in the rural areas of the County and the development areas of the County because they have different priorities than other citizens in the County.

Ms. Palmer commented that the rural citizens in Albemarle have a different rural experience than in another county because the taxes on land are different than in a more rural county. She stated that funding tools and options are important to categorize for planning, and economic development in Albemarle is focused on increasing tax revenue per acre rather than seeking population growth in the County. She stated that the Board's course of economic development needs to have a clear path as they move forward. She noted that PPEAs and P3s are often misconstrued as being funding sources when they are actually different options/tools for meeting funding goals. She added that putting houses in a service district so that their connection charges are higher than outside of the service district was a way to deal with growth and not spread it through the rate payers. She stated that it is much more preferable to lease facilities rather than build more. She also stated that promoting shared legislative responsibilities is also important but acknowledges that it may not be able to be explored very much.

Ms. Allshouse then moved forward with the next brainstorming exercise and asked Board members to mark with their voting pieces which ideas are most important on the charts (copy on file).

Board of Supervisor and School Board members then engaged in process of putting dots on options (process lasted about ten minutes).

Ms. Schmitt stated that the information would be provided to the Boards. She noted the top three voted items are utilizing general obligation bonds, lease existing facilities instead of building more, and adopting PPEA guidelines/economic development; and the least voted for item was selling land. She added that this list would be revisited at the next joint meeting of the two Boards.

Ms. Schmitt asked for any closing comments during the exercise. There were none.

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#### Agenda Item No. 6. Summarize Work and Discuss Next Steps in CIP Development Process.

Ms. Schmitt stated that if the Boards agree with the general process, the Boards would begin to work independently on the projects. She said the Boards would meet again in September to share their priorities and follow up on the strategies discussed today, and they would also revisit the max equivalent tax rate conversation. She asked if there were any comments or questions about the process.

Mr. Dotson commented that it was a good process, but he was uncertain as to whether the County Executive, TRC, FRC, or Planning Commission should be included in the planning. Ms. Schmitt stated that the TRC would not be reconvening because it requires a lot of effort that could be placed in other more prioritized projects, and the Board should decide how those committees should be utilized.

Mr. Dotson asked what about the Planning Commission. Ms. Schmitt responded that she would refer back to what role you want them to play in this process.

Ms. Mallek asked if Facilities and Environmental Services or a singular government department would evaluate any new introductions into the process, or if the schools and local government would operate separately. Ms. Allshouse responded that it is projected that there would not be many new projects being implemented and a more strategic plan will be used. She stated that using affordability constraints and prioritizing projects will help determine what needs to be done.

Ms. Schmitt stated that some of the information is conceptual and will be modified after staff conversations, to gain more information that would help build a more detailed scenario.

Ms. Palmer stated that the Planning Commission should be involved in the process and asked Mr. Dotson to share his thoughts on the Planning Commission's role. Mr. Dotson stated that he thinks the Planning Commission could be working independently and was not necessary for the current plan. He added that the Planning Commission works with capital projects, and it often is very useful for them to

work within processes like the CIP projects. He stated the Planning Commission does not need to be officially included in the planning process, but it should be understood that it works in conjunction with many of the components necessary for the plan.

Mr. Gallaway stated that the Planning Commission could be included during the December joint work session in some way so that they can give comments and insight, whether it be through a representative or a large group work session. Ms. Palmer asked if the Planning Commission could be asked for its thoughts and get back to the Board with comments and ideas. Mr. Gallaway suggested that the Planning Commission continue its current work but their conversation with the Board could be brought to the joint work session. Ms. Palmer stated that the Planning Commission could be included earlier to gain their thoughts on the current process before moving forward.

Ms. Schmitt added that there would be another joint meeting in September that can be used in order to gather more ideas about the process.

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Agenda Item No. 7. Receive and Potentially Approve the Public/Private Educational Facilities and Instructure Act (PPEA) Guidelines.

Mr. Bill Letteri, Chief Financial Officer, stated that the next step in the discussion the Board previously had about PPEA was to adopt PPEA guidelines. He stated that a draft was shared with the Board members via email and the guidelines have been reviewed by the legal department. He noted that there are prepared resolutions for the Boards to approve, which does not need to be completed during this meeting. He stated that it was acceptable for the School Board to have a second meeting to discuss the proposed guidelines.

Ms. McKeel clarified that the PPEA guidelines have already been discussed at a previous joint meeting, and approving the guidelines was not a binding agreement but rather opens a door to opportunity that can be taken advantage of or not. Mr. Letteri confirmed this. Ms. McKeel clarified that at the previous joint meeting there were multiple examples of successful communities that adopted the PPEA guidelines, and that it could positively benefit the County. Mr. Letteri agreed. Ms. McKeel added that she supports moving forward with the PPEA.

Ms. Mallek asked if the decision would be deferred if the School Board needs to confer with each other. Mr. Letteri clarified that the School Board and Board of Supervisors' guidelines are a joint document that require both Boards' approval.

Mr. Gallaway stated that the School Board likely just needs to follow different procedures and may require a different meeting to come to a census.

Mr. Randolph commented that he agrees that the School Board could confer first and then the Board of Supervisors could add it to the consent agenda.

Ms. McKeel stated that she would rather have this item go to the School Board for approval quickly rather than be put off for several months.

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Agenda Item No. 8. Meeting Wrap Up.

Ms. Schmitt thanked the Boards.

Mr. Gallaway thanked both Boards for working together and for a productive time. Mr. Alcaro agreed.

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Agenda Item No. 9. Closed Meeting.

At 5:35 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 (1), to discuss the assignments of the County Attorney; 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 powers and roles of the Board of Supervisors under a joint exercise of powers agreement.

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

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

**(Note:** Mr. Alcaro stated that the School Board would recess until 5:45 p.m.)

**(Note:** Mr. Gallaway left the meeting at 5:51 p.m.)

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**Certify Closed Meeting**

At 6:10 p.m., Mr. Dill **moved** the Board of Supervisors certify by a recorded vote that, to the best of each supervisor’s knowledge, only public business matters lawfully exempted from the open meeting 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. Ms. Mallek **seconded** the motion.

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

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

Agenda Item No. 10. Adjourn to May 15, 2019, 1:00 p.m., Lane Auditorium.

At 6:11 p.m., Mr. Randolph adjourned the Board to May 15, 2019, 1:00 p.m., Lane Auditorium.

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Chairman

Approved by Board
Date 11/20/2019
Initials CKB