

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 19, 2020, at 12:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from February 5, 2020.

PRESENT: Mr. Ned Gallaway, Ms. Beatrice (Bea) J. S. LaPisto-Kirtley, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, Ms. Liz A. Palmer, and Ms. Donna P. Price.

ABSENT: None.

OFFICERS PRESENT: County Executive, Jeffrey B. Richardson, Deputy County Executive, Doug Walker, County Attorney, Greg Kamptner, Clerk, Claudette K. Borgersen, and Senior Deputy Clerk, Travis O. Morris.

Agenda Item No. 1. Call to Order. The meeting was called to order at 12:00 p.m. by the Chair, Mr. Gallaway.

Introductions.

Agenda Item No. 2. Presentation on County Executive's FY 2020-2021 Recommended Budget.

Mr. Jeff Richardson, County Executive, presented. He thanked the County staff who worked to analyze the data, crunch the numbers, and make all the recommendations that go into crafting the recommended budget.

Mr. Richardson said their work begins in earnest, typically in early fall of the year, in September. He said many of the staff in the room that day, as well as many of the key agency directors, are working with staff in that timeframe on the technical side of discussing the needs for the coming year.

Mr. Richardson said their policy is strategic initiative work, which begins in earnest in January. He said there has been an incredible amount of thought and work that has brought them to that point.

Mr. Richardson said he would briefly review the FY 20 (fiscal year 2020) budget, talk about the FY 21 (fiscal year 2021) drivers, the FY 21 recommended budget, and next steps with Ms. Allshouse who would review the steps to follow.

Mr. Richardson said he would start with reflecting on the FY 20 budget. He said that in the last year, the County had strong revenue growth, which supported their operational needs in line with their budget theme of investments in 21st-century infrastructure. He said the County implemented a delayed, dedicated tax rate increase to the capital program, which is an increase that has been anticipated with the passage of the 2016 bond referendum, which funded the expansion at Woodbrook Elementary and a variety of school security and modernization projects through the school system.

Mr. Richardson said at the same time, they identified further capital needs to ensure the continued success of their public education system. He said the Board advanced funding for High School Center II, and for the expansion of Scottsville Elementary and Red Hill Elementary. He said Scottsville Elementary is in the bidding stage, as well as High School Center II. He said Red Hill Elementary is in the design stage.

Mr. Richardson said, guided by the County's Economic Development Strategic Plan, the County identified funding for continued investments for public-private partnerships, for broadband expansion, and for transit enhancements.

Mr. Richardson said to further protect and expand access to the environment, the Board advanced the County's climate action work and a series of parks and trails projects that are presently in design (including Biscuit Run). He said funding was identified to enhance recycling opportunities at the Ivy Materials Utilization Center (MUC), which would open later in 2020.

Mr. Richardson said the community continues to appreciate a sound local economy. He said the numbers on the slide all demonstrate growth in revenues, a strong labor market, and a continued steady population growth. He said the County's AAA bond rating shows its financial strength, which continues to be top tier nationwide.

Mr. Richardson said he would take a moment to look ahead at the FY 21 drivers. He noted it was important to understand them, as they help to create the County's revenue capacity to address some of their strategic initiatives.

Mr. Richardson presented the FY 21 projections, noting they are the major drivers of local revenue. He said when focusing on revenue, they can see growth in real estate, personal property, and other revenue growth from business activity and consumer spending. He reminded the Board that when looking at recent years, the total of these increases has been between 5-6%. He said that year, the average was about 4.6%, so when comparing the present year's figures (adding that the real estate is the majority driver, driving at 5.4%), there is modest growth in other areas. He said when looking at it from a composite average, they are at 4.6%, and that the growth is more measured and less dramatic than in years past.

Mr. Richardson said that the banner growth years that occurred immediately following the end of the recession are now less dramatic, but that growth is still solid.

Mr. Richardson presented the local expenditure drivers that affect the budget in terms of the revenue capacity to address items of high significance in any one budget year. He indicated on the screen to a \$1.1 million increase for General Government in their contribution to the State of Virginia Retirement System (VRS). He said this is the local government relationship with the state government regarding full-time staff and the retirement system contribution they make. He said this was unusual, and that in speaking with Mr. Andy Bowman, he has not seen this type of increase over a one-year period in recent years. He said the County has to make adjustments to be able to pay the debt to the State in order to be able to continue in the retirement system for County staff.

Mr. Richardson presented the capital and debt service expenditures. He reminded the Board that this is formula-based with the School System, and with revenues coming in, there is a percentage that goes to schools, a percentage that goes to general government, and a percentage that goes to capital and debt service. He said this is an additional \$1.4 million, which is a 4.5% increase.

Mr. Richardson presented revenue sharing, noting it had a modest increase. He said when looking back 15-20 years at the swing back and forth between the City and the County, there is a very complex formula each year that goes back 24 months and looks at tax base growth in the City, as well as tax base growth in the County. He noted that it was more complicated than that. He said for the coming year, the obligation from the County will be an additional \$100,000, which is a 2.7% increase.

Mr. Richardson reminded the Board that this came off of a dramatic swing in the previous year in the other direction, where they had appreciated about a \$1.5 million payment from the City coming in the County's direction. He said this had affected them in a dramatic way with their budget-balancing strategies and what they were able to do.

Mr. Richardson said he would take some time reviewing the Capital Improvements Program (CIP), which is a driver for that year's budget. He said in the recommended budget presentations, he typically focuses on new capital projects being budgeted for the upcoming fiscal year and being planned for the following four years. He said it was important to remember, however, that once ground is broken and ribbons are cut, the County continues to pay for these projects for up to 20 years, and one cannot look forward without also looking back to remind themselves of what their commitments are.

Mr. Richardson listed the current obligations. He said the capital program is carrying projects approved in prior years, including large projects such as the Courts renovation and expansion, Woodbrook Elementary, and others. He said the Board has spent significant time over the course of many months exploring, in partnership with the School Board, what their capacity and affordability for further capital commitments look like. He said they then took on the difficult challenge of prioritizing the community's capital needs. He said this budget funds their obligations to the prior year commitments to deliver high-quality projects to the community.

Mr. Richardson presented the most recent, refreshed FY 20-22 Strategic Plan. He recalled that the Board dedicated time to this with staff in the fall of 2019, and that what the County believes is that local government has an obligation to make it work for the citizens of the community that it serves. He said citizens typically judge how well local government does this in three ways: the community's economic vitality, the community's quality of life, and the community's responsiveness to their needs.

Mr. Richardson said that the nine listed strategic initiatives represented the biggest opportunities and the most critical issues over the next 3-5 years, as identified by the Board over a course of time.

Mr. Richardson said the tenth strategic initiative is the underpinning, or the foundation, of the nine strategic initiatives, which is quality government operations. He said this helps the staff to drive realistic change and also helps manage the expectations of the citizens.

Mr. Richardson said the budget is guided by the Strategic Plan initiatives. He said there is funding in the recommended budget to address each of the items listed on the slide.

Mr. Richardson said when talking about quality government operations, the slide presented represents external services that are provided to the residents that the County serves. He said these services are touchpoints with the residents. He said it sometimes helps to remind the community about some of the external services that fall under quality government operations. He said for him, this was an impressive list of services that are provided to the County's citizens and that at times, the citizens forget these exist until they are needed.

Mr. Richardson said the recommended FY 21 budget was balanced at a total of just over \$451 million at the current tax rate (85.4 cents per \$100 assessed value). He said this was the same tax rate as the present year, which he recommended.

Mr. Richardson said he would focus his remarks on the General Fund, which is the primary funding for General Government. He said General Government covered the functions shown on the slide.

Mr. Richardson presented a chart that provided an overview of where the County's revenues are

coming from. He said one thing that stands out for him is the community's reliance on general property taxes, as a proportion of the revenues coming in. He also pointed out the amount of state and federal revenue, and that often times at a local level, there is a misperception of how much state and federal money exists. He said although it is critical to the budget, the Board should be reminded of the proportion to the total revenue coming in.

Mr. Richardson presented a slide showing where the expenditures were going. He said one could see from the right half of the chart that there is a strong commitment to the public school system in Albemarle County, which reflects the community's vision and has for some time.

Mr. Richardson said the theme for the FY 21 budget was "Expanding Opportunity." He said this included promoting the community's future; creating a positive community legacy; striving for economic viability, equity, and inclusion; and environmental sustainability. He said these are ongoing vital functions for local government leaders.

Mr. Richardson reminded the Board that in 2018, the Board supported the creation of a Project Management Office, focused on project delivery, scheduling, resource alignment, stakeholder analysis, and business process optimization. He said he was proud to share that there is a new chapter in the budget book that year entitled "Efficiency." He said it highlights how they are working differently to achieve their goals. He said staff continues to demonstrate commitment to identifying the performance gaps, which helps to set a course for continued organizational improvement.

Mr. Richardson said the budget is about expanding opportunity, which they are able to do when the County studies its services, business processes, and systems to ensure that they are aligning the right resources with the right work. He said it shores up their foundation and allows them to do more work with less effort; to reach deeper into the community to ensure equitable services; and to free up staff capacity to work differently than they have worked in the past, which enables them to focus on how to best lift up their staff and to manage their resources to meet the community's capital needs.

Mr. Richardson said he would first talk about community infrastructure. He said the ability of a community to promote its future is linked directly to the existing and future quality and capacity of its infrastructure. He said this included roads, streets, parks, intersections, public transportation, water and sewer infrastructure, greenways, and trails.

Mr. Richardson said he would talk about how this budget addresses community infrastructure. He said the community continues to grow in a predictable, yet modest, pace. He said the Weldon Cooper Center estimates that the population is just under 110,000 people with an average annual growth rate of about 1.2%. He said that growth brings vibrancy to the community and opportunities, but that it also presents needs. He said the budget makes capital investments that have a positive return on investment for the community.

Mr. Richardson said after years of continued steady growth, this budget process supports the School Division's needs for additional capacity at two elementary schools, Crozet Elementary in the western feeder pattern at \$20.4 million, and Cale Elementary in the southern feeder pattern at \$6.25 million. He said investing in schools means expanding opportunity for students by investing in human capital, which is good not only for the kids, but for families, and the local economy.

Mr. Richardson said he would take a moment to talk about the School Division's operating budget. He said the School Division is projecting growth of the student population of more than 300 students, which is larger than some of the division's elementary schools. He said thanks to additional support from the State and Superintendent Dr. Haas' leadership in taking new and innovative ways in meeting the needs of school-aged kids, the School Division has put forward a balanced funding request, which was the first in 20 years.

Mr. Richardson said Transportation Leveraging was set at \$22.75 million. He said this budget process puts forward the two other capital priorities recommended by the CIP Advisory Committee.

Mr. Richardson said the CIP Advisory Committee is comprised of the School Board, Board of Supervisors, Planning Commission, and a resident member. He said they met throughout the month of October to create a recommendation for the Capital Improvement Plan, FY 20-25. He said this followed joint work sessions with the School Board and Board of Supervisors in the spring and summer of 2019. He said the bodies worked together to consider, prioritize, and balance the real capital needs of the community.

Mr. Richardson said the first of the two is a transformational investment in the transportation program. He said this budget process recommends beginning a five-year commitment to provide consistent, flexible funding that can be used to compete for and leverage state and federal dollars to invest in the County's roads and bike and pedestrian infrastructure to facilitate the movement of people through the community every day.

Mr. Richardson said these funds create a pivotal moment for the community, enabling the County to make long-term investments in transportation infrastructure at a level of commitment never seen before in Albemarle County. He said it positions them to stay ahead of state-wide competition for funding over the next several years, and to plan and execute projects in a timelier manner. He said this will expand opportunity for everyone who moves through the community because when the County makes transportation improvements, they enhance safety, reduce stress, and give people back their most

precious resource, time.

Mr. Richardson said the second of the two capital priorities is to identify \$4 million in funding for public-private partnerships, which positions the County to make strategic investments in land acquisition for the Economic Development opportunities to create public good in alignment with the Comprehensive Plan.

Mr. Richardson said localities that plan for land acquisition create a competitive advantage from working through public-private partnership opportunities. He said these types of projects expand opportunity because they tend to generate new jobs for the community and business activity that diversifies the tax base, to yield tax revenues above what the County currently sees on a given property. He added that this also reduces the strain that real estate tax carries for revenue generation.

Mr. Richardson said he would transition and talk about an item in the budget that emerged with the change of the State law with respect to early voting. He said later that afternoon, at the Board's work session, Mr. Lance Stewart (Director of Facilities and Environmental Services) will be at the Board's regular meeting to share more about proposed lease space to better serve the voting public. He said this budget process was built to support the funding necessary for the proposal. He said this proposal was significant because it would bring activity into the Rio-29 area in alignment with the Small Area Plan.

Mr. Richardson said the space under consideration will only be needed for voting several times a year and that during the remainder of the year, the County can use this space as an engagement hub for local government, as a public space that can be rented for private and public events and activities. He said the initial investment uplift is \$610,000, and that they will also need to budget \$225,000 for operations.

Mr. Richardson said that the budget also recommends an additional full-time staff member (an Assistant Elections Manager) to support the extended period of voting, and will also better serve the community. He said they can expect higher volumes for early voting, as they have looked at other states that are ahead of Virginia in this initiative, and that the data was compelling.

Mr. Richardson said equity ensures fair access to opportunity, information, resources, and treatment. He said the County has spent the past year listening and learning on how to better serve all employees and community members, and to expand the opportunity for everyone the organization serves. He said this budget reflects the Board's ongoing commitment to the promotion of an equitable and inclusive community in three ways.

Mr. Richardson said the first way was employee compensation, which is an area that was identified as an equity issue. He said this budget seeks to address this by lifting the lowest wage-earning employees, as they lift up the County every day in a number of areas. He said if they stop and look for a moment, they see these people working behind the scenes in so many areas. He said these include the Police Service Specialists, Public Safety Dispatchers, Ground Maintenance Workers, and Social Services Specialists.

Mr. Richardson said this budget recommends establishing a new minimum wage of \$15 per hour, and a decompression strategy that will impact employees through Pay Grade 12. He noted that the information on the slide reflected approximately the bottom third of the pay plan. He said starting at the bottom, they see Pay Grade 4, which will be collapsed into Pay Grade 5. He said there is a decompression strategy that feathers some movement all the way up through Salary Grade 12. He said the average pay increase to about 159 employees is approximately 7%, with no pay adjustments above Salary Grade 12.

Mr. Richardson said additionally, there are 171 temporary positions in the organization, and that much of those would be recognized in the Parks and Recreation department. He said this also aligns the department for temporary positions at \$15 per hour. He said all of this would be recommended to be in effect July 1, if the budget is passed.

Mr. Richardson said he was proud of the work that has gone into studying the \$15 minimum wage, how to implement it in a way that is meaningful to employees, and how to do it responsibly. He said the \$15 minimum wage initiative has truly been a collaborative endeavor with the School Division, noting that in the School Division, this will have a much more dramatic effect because of the types of jobs that are associated with running a school system. He said the local government has 159 staff, but that schools have just under 900 staff who will be affected by the initiative.

Mr. Richardson reminded the Board that in December, they had discussed perhaps having to do a two-year implementation strategy, which would have been \$13.50 per hour July 1, 2020 and then \$15 on July 1, 2021. He said staff sat with Schools and got within \$400,000 of getting the \$15 per hour, and so the Schools have agreed to absorb \$400,000 of the first-year cost in order to go in tandem July 1 in both organizations at \$15 per hour.

Mr. Richardson thanked Dr. Haas and his team, and the School Board, for helping the County get to \$15 per hour by July 1 and not have to do the two-year implementation strategy. He said as they hover around 2% employment, no one would thank them more than the departments who are trying to recruit and retain people, not just in full-time positions, but with the key summertime vacancies in the Parks department and competing with other entities in the community, where those wages have gone up.

Ms. Palmer asked Mr. Richardson what the lowest-paid employee currently is.

Mr. Richardson replied that on the local government side, it is around \$11 per hour.

Ms. Gerome said she would get this information.

Mr. Bowman that it is \$10.70 per hour.

Mr. Richardson added that they are also supporting a 2% salary increase for all County employees, which helps to maintain their position to competitively recruit and retain employees. He said this recommended budget includes this increase.

Mr. Richardson said the budget expands the organizational equity and inclusion initiatives. He said the community continues to grow in diversity, and to ensure they are able to serve their customers in a comfortable and welcoming way, they know that language access is crucial. He said that in the current fiscal year alone, Social Services has provided language translation on 3,475 separate occasions.

Mr. Richardson said the funding he has in the budget enables the organization to be more fully responsive across the organization to language-assistance needs in their day-to-day customer service. He said they know that to recruit a diverse workforce that reflects the community, they need to have a truly inclusive organizational culture.

Mr. Richardson said they continue to work on the Community Remembrance project, noting the Board has been very supportive of the project and active with the activities that have happened in the community over the past 18 months, as well as in building a program at the Yancey School Community Center. He said that year, they welcome their new program coordinator, funded through a grant. He said this budget supports a request from the Health District for a part-time health worker that will provide clinical services in the renovated space at the center.

Mr. Richardson said last year, the Board adopted an ambitious climate reduction goal to reduce greenhouse gas emissions by 45% of the 2008 baseline by 2030, and to be net zero by 2050. He said the draft Climate Action Plan will be coming to the Board later that year, and while they do not currently know what the exact roadmap for achieving that goal, long-term, looks like, they do know that they need to be in a position as a County to make the necessary investments to advance their climate objectives.

Mr. Richardson said to that end, this budget process adds an additional \$250,000 to the Climate Action Fund funding pool to support strategic partnership with AHIP, which will increase the accessibility of transformational climate actions for the residents where the cost of housing weatherization, rehabilitation, or preservation might serve as a barrier to participation. He said these home investments allow for more efficient heating and cooling, and preserves existing housing stock, which is good for the homeowner, the community, and the climate. He said this brings the total Climate Action funding pool up to \$750,000.

Mr. Richardson said the organization is working differently and commits to applying the right resources to the right areas to get the best results for the community. He said over the past three years, on average, they have supported 27 new positions each year. He said this amount of head count growth is driven by a steady loss of FTEs (Full Time employees) during the recession. He said 6-8 years ago, the organization was working to deliver the same level of service in the face of a growing community with different needs. He said the level of growth over the last three years, however, is not sustainable long-term.

Mr. Richardson said this budget includes 19 additional positions. He said he would take a few minutes to talk about this, as it is not full funding for 19 positions. He said four of the positions were actually approved after the adoption of the FY 20 budget. He said those people are already working for the County. He said the remaining new positions will address a shift in the landscape in the Fire Rescue system, as well as to address timely staffing needs in Environmental Services, the County Attorney's Office, and the Voter Registrar's Office. He highlighted how over the past few years, they have focused on how they can work differently to meet the needs and wants of the community.

Mr. Richardson presented the same slide with some of the positions now listed in blue text, noting that these positions were in blue to highlight that they came with additional revenue support, which could include revenue from the State, from a grant, or received through service delivery. He said the ongoing net cost to Albemarle County for those 19 positions is about \$628,000.

Mr. Richardson said he would spend a few minutes talking with the Board about how the organization is working differently, centering around three primary ways: customer-focused service enhancements, redefining field work, and aligning resources.

Mr. Richardson presented a picture showing how that year, they added a front desk Customer Service Ambassador to the organization. He said they brought this role on as a full-time customer service presence at the visitor's entrance while the County Office Building is open, and to also monitor day-to-day operations inside the building and on its grounds.

Mr. Richardson said more than anything, their two staff members, Josh and Jamie, provide customer service. He said they say hello when people come through the front door. He said the County has received emails from citizens to thank them for that level of service. He said they help people find

where it is in the building that they are trying to go for services. He said they hold the door open when someone's arms are full. He said one of the staff knelt down to teach a young boy how to tie his necktie.

Mr. Richardson said in terms of business optimization and redefining field work, they are leveraging technology in their day-to-day work to make field time more productive and to create systems to enable data-driven decision making. He said a temporary employee in Environmental Services has developed a GIS-based tool for stormwater inspectors to use in the field, improving efficiency and accuracy by eliminating duplicative data entry. He said the system has since been expanded, and now will include Community Development inspectors. He said this budget recommends making this temporary position permanent to support further systems development initiatives like this, which enables the entire team to operate more effectively.

Mr. Richardson said the budget recommends a legal services over hire position. He said this will temporarily augment the County Attorney's Office to support the digitization of legal documents that, long-term, enable the County Attorney's Office to operate more efficiently. He said these actions may seem small, but they are putting systems in place and improving the way the organization works to enable them to build capacity, to leverage technology, and to allow the staff to perform higher-level work, as well as to deliver better customer service to the community. He said this budget provides \$500,000 to the business process optimization reserve to further this work.

Mr. Richardson said the budget continues to provide training dollars, with an increase of \$35,000 to the training pool to continue to allow them to invest in how they work so that they can continue to deliver efficient and high-quality services. He said this will focus on leadership development, as well as technical training on key business systems, which has been an area of improvement in the past.

Mr. Richardson said creating a culture oriented to working differently also enables the organization to approach emerging issues as opportunities arise to reengineer its systems. He said the budget addresses an issue facing not just the County's community, but communities across the U.S. He said there is a persistent challenge to recruit and retain volunteer firefighters and paramedics. He said the Fire Rescue department brought to the Board, a few weeks earlier, two changes in their system – one on the Fire side, and one on the Rescue side.

Mr. Richardson said Albemarle County Fire Rescue received notice from Charlottesville-Albemarle Rescue Squad (CARS) that it will not be able to reliably send Advanced Life Support (ALS) units into Albemarle County on nights and weekends in the near future. He said to address Albemarle County's emergency medical needs, this budget supports 12 new positions that would enable staffing on an ALS ambulance from the Ivy Station and at the Pantops Station 24 hours, 7 days a week. He said the proposal provides consistent, reliable County-wide ALS ambulance service and improves EMS response times to most areas of the County.

Mr. Richardson said there is a net cost of hiring these positions due to offsetting revenues. He said the revenues are cost recovery from patient transport insurance payments that would come back to the County, which is now collected elsewhere, which is about 60% of the total cost. He said the net cost of hiring the 12 positions is about \$332,000 per year. He emphasized that these are patient transport insurance payment costs which is what the citizens, through their insurance companies, would be paying today.

Mr. Richardson said the other area is a request from the Crozet Volunteer Fire Department for daytime, weekday staffing at their department. He said to address Albemarle County's fire protection needs, this budget supports a proposal that the Board recently saw in a work session to reposition existing resources from within the ACFR system, by aligning their personnel with call demand in lieu of hiring five additional firefighters otherwise required to meet the need that has been identified. He said the proposal reallocates staff from Stony Point to Crozet, and from East Rivanna to Pantops. He said the end result is that it improves urban and rural response times across the system.

Mr. Richardson presented a slide representing funding for the agencies, arts, and community partners. He said 33 agencies were identified by the budget review team. He said he believes that the partnership and community collaboration is a significant part of the County's ability to provide services to the community, and that collaboration brings out the best in others. He said the community is fortunate to have a strong history of regionalism, partnerships with agencies and other non-profits, as well as community arts and cultural groups that work to enhance the daily lives of so many.

Mr. Richardson said this budget continues to support the many partners that directly deliver services to County residents. He said for FY 21, \$1.7 million is recommended for programs and services provided by the budget review team's 33 agency organizations and arts and cultural partners.

Mr. Richardson said public transit is a critically important part of the community, and that this budget supports a continued commitment to looking at how to deliver services effectively. He said the budget supports the Afton Express, a new commuter service originating from Staunton across Afton Mountain that provides support for those coming into Charlottesville and Albemarle County for work each day.

Mr. Richardson said this budget supports the Regional Transit Partnership's interest for a local match to create a Transit Vision Plan that will chart the future course of transit using a regional vantage.

Mr. Richardson said this budget supports transit providers, CAT and JAUNT, both of which have

requested increases in revenues over FY 20. He said he will delve more deeply into those requests during a dedicated work session that he has proposed, with staff's support, in March, where they will dedicate one work session to public transit. He said they are at a critical time with the partnerships and community needs to be able to spend some dedicated time looking at the agency partners and the challenges and opportunities they have.

Mr. Richardson presented a slide illustrating how one's dollar is spent in Albemarle County. He said it illustrates what one dollar of tax revenue supports in the FY 21 recommended budget, and the critical services that are stretched all throughout the County.

Mr. Richardson in summary, the FY 21 budget totals a bit more than \$451 million and is balanced on a tax rate of 85.4 cents per \$100 assessed value (noting this is the same tax rate as the present calendar year).

Mr. Richardson said the CIP Advisory Committee recommended \$55 million in additional CIP projects over the next five years. He said he has visited with Board members, and that staff has done significant analysis to suggest that this will take raising the tax rate at some time in the near future to help pay for (both in pay-as-you-go and debt) the additional \$55 million in projects.

Mr. Richardson said that because the local economy continues to be strong, and they see strong economic vibrancy, he does not recommend a tax rate increase for the capital fund because the timing of the debt, as well as the current financial position. He said they would be revisiting this after the budget is adopted and will monitor closely the economic conditions. He said they would likely be back before the Board about this in the early fall.

Mr. Richardson said this budget expands opportunity for the community and staff. He said this budget makes transformative investments in the transportation program, addresses school capacity needs, provides flexible funding for economic development, and continues to invest in key equity programs. He said it also raises the organization's minimum wage to \$15 per hour.

Mr. Richardson said that more than the numbers, he wanted to share that he is proud of the work of the organization is doing to address equity, inclusion and diversity both within the community, and inside of the organization. He said he is proud of the work that the organization is doing to work differently, to evaluate business process and systems, and determine how to improve and overhaul, all with a focus on delivering better customer service and better work products for everyone in the community.

Mr. Richardson said he was proud of how the capital planning process prioritized capital projects that meet community infrastructure needs in a transformative way, delivering consistent but flexible funding to ensure the right projects get built to address needs in education, transportation, economic development, and voting. He said it takes courage to identify weak points and to address them by working differently. He said the organization is demonstrating its appetite for measuring performance and identifying how they can improve business processes and how they serve their customers.

Mr. Richardson said Albemarle County is expanding opportunity in ways that are measurable, meaningful, and improve the daily lives of the staff and the community they serve. He thanked the dedicated and hard-working County staff for assisting him in developing the budget recommendation, which will advance the organization in the community and in strategic areas. He thanked the Board of Supervisors, as they model a level of commitment to serve in the community that is unparalleled and serves to advance the community every day.

Mr. Richardson said he would turn the presentation over to Ms. Allshouse, Director of the Office of Management and Budget, who would talk about the next steps.

Ms. Allshouse directed the Board members to the budget document they would be working through over the next few weeks. She indicated to a yellow paper in the booklet, noting it was very similar to the budget calendar the Board had recently seen, that it contains a lot of information and had been updated. She said one thing they updated was to indicate where the pages are in each of the chapters they will go into, including "homework" pages the Board could review as they go into each work session.

Ms. Allshouse said the next time the Board would be meeting with staff about the budget was February 25, 5:00-8:00 p.m. She said they have identified in a different color the actual pages where the Board members would start their research on the areas they will be touching on through that work session.

Ms. Allshouse said that the budget summary, for example, starts on page 27. She said this addresses revenues and expenditures in a broad way. She said there is also a chapter called "Non-Departmental," starting on page 165, noting this was a good one for the Board to look at before the first meeting.

Ms. Allshouse said the Board would also have time with the School Division, who would be attending the first work session to share their Schools budget. She said there is a chapter called "Education Chapter" in the book, located behind page 195. She noted the numbers are different in this chapter, as they come from the Schools document. She directed the Board to the "Education" tab.

Ms. Allshouse said they would also touch on the Capital Improvement Plan at the first meeting, which starts at page 219.

Ms. Allshouse said that Mr. Richardson had mentioned efficiencies, and that these were located on page 35.

Ms. Allshouse said the next work session after that would be in March. She said March would go by quickly, as the third, fourth, and fifth work sessions would take place all in a row. She said the first week of March will be an intense one on budget.

Ms. Allshouse said in the third work session, they will talk about all the General Government departments, which are found on page 75 to 164. She said this will include categories of public safety and other categories in the budget.

Ms. Allshouse said the fourth work session will have the public hearing on the recommended budget.

Ms. Allshouse said another work session would take place on March 5, noting this is an important work session, as the Board will receive a revenue update. She said in recent years, they have been adding another revenue update in order to look at the most recent data on revenues. She said at this point, the Board will finalize the tax rate for advertisement and will approve the Board's proposed budget.

Ms. Allshouse said on March 11, there will be a transit work session, 3:00-6:00 p.m. She said there is also a holding place for another work session on March 17, if there is a desire by the Board to continue the conversation on perhaps something that was not covered in enough detail.

Ms. Allshouse said in April, there is another public hearing on the Board's proposed budget. She said the Board will set the tax rate and adopt the budget on April 20. She said after that, the School Board will adopt their budget, and then the Board of Supervisors will appropriate in May.

Mr. Gallaway asked the Supervisors if they had any reactions or comments they would like to make.

Ms. McKeel thanked Mr. Richardson for the section on efficiencies. She said the community has been asking for this for years.

Ms. Mallek said the proposal included more good news than she was expecting, and so she was thrilled about this. She said having the efficiencies assembled in one place is great to be able to bring people's attention more easily to what has been going on, as many improvements have been made over the past several years.

Ms. Price echoed the comments about the great work that has been done. She said she was impressed with the County staff and the dedication they bring to everything they do.

Ms. Price said she had a couple questions, as this was her first time through the budget process. She said on the slide about major drivers of local revenues, she would like to get some information in terms of the Economic Development aspect of what they might be able to do to improve business-driven revenues. She said she would appreciate learning more.

Ms. Price said Mr. Richardson had talked about a significant increase that year in the contributions to the Virginia Retirement System. She said the comment was made that it was an unusual increase. She asked if he or Mr. Bowman could comment on what drove this that year, and what they might be looking at in future years with regard to an expenditure like that.

Mr. Bowman explained that every two years, the State reassesses what all of the local shares should be. He said every locality is going to be a separate pool. He said the State does a study that looks at the future rate of return and that through all those factors, they put together a long-term projection. He said the result of that was about a 2% increase will come out from about 12% of a salary to 14%. He said every two years, this is something that is revisited, and that this was not something they were anticipating, based on the history that they have seen in the past. He said they have a mandate to respond to for their share to the State.

Ms. Price said she recognized that they can never control the future. She asked if they could anticipate this sort of surprise on a frequent basis.

Mr. Bowman replied they had some follow-up questions to the State when they received the news to understand this, and that the State cannot guarantee anything in the future, either. He said their hope is that this is a one-time experience, but that it was something they need to continue to monitor, given the experience they had over the past few months.

Ms. Price said on slide 17, looking at the recommended budget General Fund revenues and the very large percentage they rely upon of general property taxes, the Board is requesting support from the Legislature for equal tax inquiry, which will hopefully allow them to broaden the revenue base and make them less subject to variance in one area.

Ms. Price said she was impressed to see slide 22, about the County's commitment to five-year

funding and competing for state funds for transportation. She said this was a critical thing and another indication of the quality of work that staff does.

Ms. Price said on slide 33, regarding business optimization, she hoped the County didn't lose the temporary worker that came up with the GIS technology it discussed.

Mr. Henry said it was in the recommended budget for this worker's position to go from temporary to permanent.

Ms. Price said it was very impressive to see this type of initiative from a temporary employee. She said on slide 39 regarding transit, she knew they wanted to talk about what their return with CAT is in terms of providing services into the County and City. She said she was very impressed with the work done by staff and was very happy to see a recommendation of no tax increase but still balancing everything out. She said anything can be done in Albemarle County.

Ms. Palmer said this was her seventh time going through the budget process, and that it gets better every time, which she appreciated. She said the budget process was especially impressive over the past two years.

Ms. Palmer said she was glad to have the \$15-per-hour minimum wage. She said this was great for the lower-paid employees and make it much easier to hire new staff.

Ms. Palmer said when infrastructure was discussed, water and sewer was mentioned, which is paid through their own rates and is not coming out of tax dollars. She said that they did not mention, however, solid waste, which does come out of the tax dollars. She said while she appreciated all the support that the Board has given in the past couple years for the Ivy Materials Utilization Center (MUC), in bringing them up to compliance with the Department of Environmental Quality (DEQ), and putting in the new transfer station, she recognizes that they are still very behind on their services as compared with other counties in Virginia.

Ms. Palmer reminded everyone that there are people in the County who cannot get anyone to come to their house to pick up their trash because they are too far out, and there are many people who cannot afford to hire someone to come to their house. She said she hoped they could find additional dollars somewhere to continue on their quest to get a couple more convenience centers in and around the County to serve those who either cannot afford trash pickup or cannot afford to move to where they can get those services.

Ms. Price echoed Ms. Palmer's remarks.

Ms. LaPisto-Kirtley said she also supported Ms. Palmer's remarks. She said this was her first time going through the budget process, but that it was not her first time in public service. She said she was extremely impressed with staff and with the executive directors. She said the budget is very thoughtful, which she appreciated as it does speak to servicing the needs of all constituents in the community.

Ms. LaPisto-Kirtley said she would closely be following the issue with Fire Rescue and ALS services. She said this is extremely important not only for the urban areas, but in the rural areas.

Ms. LaPisto-Kirtley said she was very happy that the School Board is presenting a balanced budget. She said she was sure that people will be happy with Mr. Richardson's recommendation, and that they would see what happens regarding no tax increase. She said she is concerned about providing more convenience centers, as the County's job is to make sure that the community is well served, and that they feel like they are doing their jobs.

Ms. LaPisto-Kirtley loved the efficiencies list, which was long overdue. She expressed that how they pay their employees is important so that get the best and brightest.

Ms. Mallek said regarding the extra money for VRS, in 2010, Governor McDonald borrowed \$600 million from VRS to supposedly balance the State budget. She said at the end of that year, things were not as bad as he had thought they would be, and instead of putting the money back in VRS, he sent the bill to local government and gave the \$600 million away as bonuses to State employees. She said that year, the County's bill was \$3 million all at once, and that it was punishing and something that she was still unhappy about. She said there is something lurking currently in the General Assembly, as the budget has \$70 million to be put back in VRS from the State. She said she hoped they actually deliver on this, noting that it should be much bigger.

Ms. McKeel said part of the issue is that VRS has been underfunded for years. She said she has been reading editorials in the Richmond Times, which covers the General Assembly, about the underfunding of VRS over many years. She said trying to shore it up (which is a positive thing) surprises local governments.

Mr. Gallaway acknowledged the School Division bringing forward a balanced funding request, and that was largely due to the State funding picking up their slack after some years. He said this will have a big impact on what the County is able to do, not just on the School Division side, but on the Local Government side as well.

Mr. Gallaway said they would have plenty of time to discuss everything they were remarking on and would have plenty of questions as well. He asked Ms. Allshouse what the protocol was to send questions to her before the first work session.

Ms. Allshouse encouraged the Board to send their questions electronically, directly to her or Mr. Bowman, and that they will make sure to get them answered. She said there is also a protocol at the first work session where if there is a question staff cannot answer on the spot, they will put it on a question list, then immediately go back and research. She said they can email along the way as well, as fast as they can get materials organized and back to the Board.

Mr. Gallaway reminded the Supervisors that it is best practice to copy the County Executive and the rest of the Board on questions, as it could be a question that they have not thought of and would appreciate hearing asked and answered. He said this way, they can all go to the meetings being informed and not have to take up meeting time to backtrack and catch up.

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

There were none.

Agenda Item No. 4. Adjourn.

At 1:01 p.m. Mr. Gallaway adjourned the Board meeting to February 19, 2020, 1:00 p.m., Lane Auditorium, County Office Building, McIntire Road, Charlottesville, Virginia.

Chairman

Approved by Board
Date 07/15/2020
Initials CKB