

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on April 13, 2020, at 6:30 p.m. This meeting was held by electronic communication means using Zoom and a telephonic connection due to the COVID-19 state of emergency. This meeting was adjourned from April 1, 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 6:30 p.m., by the Chair, Mr. Gallaway.

Mr. Gallaway said that the meeting was being held pursuant to, and in compliance with, Emergency Ordinance #20-E2, "Emergency Ordinance to Ensure the Continuity of Government Amid the COVID-19 Disaster."

Mr. Gallaway said the Supervisors who were electronically present at the meeting were himself (Mr. Ned Gallaway - Rio District), Vice Chair Donna Price (Scottsville District), Ms. Diantha McKeel (Jack Jouett District), Ms. Liz Palmer (Samuel Miller District), Ms. Bea LaPisto-Kirtley (Rivanna District), and Ms. Ann Mallek (White Hall District).

Mr. Gallaway said the persons responsible for receiving public comment are the Board of Supervisors of Albemarle County, and the opportunities for the public to access and participate in the electronic meeting are posted on the Albemarle County website, on the Board of Supervisors homepage, and on the Albemarle County calendar.

Agenda Item No. 2. **Public Hearing – FY 2020 – FY 2021 Proposed Operating and Capital Budgets.** To receive comments on Proposed Operating and Capital Budgets for FY 2020 – FY 2021. *(Advertised in the Daily Progress on April 3 and April 5 2020)*

Mr. Jeff Richardson (County Executive) said there were two public hearings that were originally advertised and scheduled for that evening, and that he had recommended the prior week that the Board consider postponing the public hearing on the proposed operating and capital budgets. He said the purpose is to hear from the general public on the proposed recommended budget.

Mr. Richardson said he came before the Board on April 1 with Ms. Lori Allshouse (Office of Management and Budget Director) with an update on current year revenue losses due to the recent pandemic. He said at that time, they told the Board that they would be coming back before them to not only update the FY 20 budget with budget-balancing strategies, but that they would also be coming back to the Board with revised revenue figures for the FY 21 budget. He said they also committed to the Board that they would be bringing a revised proposed FY 21 budget on April 22.

Mr. Richardson said he would go through the budget-balancing strategies for the current fiscal year and also cover, in general (at a high level), what they are looking at for FY 21. He said they should postpone the public hearing portion of the budget process until May 6.

Mr. Richardson said he would go through a revised schedule with the Board that evening, and that said they would provide the budget by April 22. He said if the Board agreed, it could take action to postpone the public hearing, then go to the other public hearing scheduled for that evening. He said with the Board's permission, he would start the overview of the FY 20 budget-balancing strategies and then with Ms. Allshouse, would cover FY 21.

Mr. Gallaway asked Mr. Richardson to proceed.

Mr. Richardson said he and Ms. Allshouse were before the Board on April 1 to talk about the loss of revenue in the current fiscal year, and indicated to the Board that they were taking some immediate steps to recapture the loss of revenue to ensure that they would be balanced by the end of this fiscal year.

Mr. Richardson said that additionally, they wanted to go over the review of the fiscal year budget development goals. He said they wanted to talk to the Board about the initial steps staff have taken in an effort to begin to cover loss of revenue, which they project through FY 21. He said Ms. Allshouse would cover staff's work with the School System on the capital budget to date, and that they would go through a budget development schedule with the Board, then turn it over to the Board's consideration of postponing this public hearing until staff presents the revised FY 20 budget to the Board on April 22.

Mr. Richardson presented a slide, noting that it was a slide he had presented to the Board on April 1. He said they talked about the fourth quarter at that time, which they had just entered into in April. He said in the fourth quarter, the County took a severe hit to revenues. He said the slide projects the loss

of revenue in the fourth quarter of the current fiscal year, noting that the figures are divided through the funding formula calculation, with the local revenue loss adjusted for the fourth quarter.

Mr. Richardson said County staff communicated this to the School Division several weeks earlier, and that they are working in collaboration with the local government to reduce the gap. He said the School Division's projected loss is at \$2.64 million.

Mr. Richardson said on the General Government side, through the shared revenue formula, its projected loss is \$1.87 million. He said they would also project that they would lose fees that do not go through the shared formula, at just over \$1 million. He said as he had reported on April 1, the County is projected to lose \$3 million of revenue between current time and the end of the fiscal year closeout.

Mr. Richardson said staff's steps in the first three months of dealing with the economic loss, as well as the pandemic (from an emergency operations' side), are immediate steps to rebalance the current year budget. He said the County has frozen 15 positions to date, and that they continue to evaluate additional positions that are currently vacant to see if they have the ability to freeze those positions between current time and the end of the fiscal year, as this will give them a jumpstart on the gap that they face, going into the next fiscal year.

Mr. Richardson said staff is homing the County's budgeted reserves and contingencies. He said in addition to that, they are directing departments to hold on all discretionary funding. He said they have captured some mid-year healthcare savings that went to a strong-performing healthcare fund. He said they are fully self-funded and are in a shared health fund with the School System, and so the strong-performing health fund will not only help local government, but schools as well.

Mr. Richardson said staff is also looking at positions that have been vacant for some period of time. He said they are capturing lapsed salaries from those positions, and will continue to do so.

Mr. Richardson said when adding all these budget-balancing strategies together, the County is on course to capture \$3 million of money that will not be spent between current time and the end of the year. He said they will continue to monitor the current-year budget beyond the end of June. He said there is a closeout process that goes well into the summer and fall before the County officially closes its books on FY 20. He said these steps will ensure that they balance and come back under budget from what was previously planned when the budget was adopted in 2019.

Mr. Richardson said these strategies will help support the County as it moves into the gap for FY 21. He assured the Board that at that point, they had rebalanced and are positioned to close out on a positive note.

Mr. Richardson said that moving into FY 21, and talking about strategies and goals, staff will adhere to financial policies. He said they will look at best practices as a AAA-rated organization and local government. He said the County is the recipient of a number of related GFOA awards, and will adhere to strong financial policies and conservative fiscal management.

Mr. Richardson said that in doing so, they will continue to evaluate their service delivery, and will provide essential levels of service to residents. He said the highest priority is public safety, human services, and the need for continued business support. He said they will support the continuity of the County's operations and service delivery to the citizens. He said they need to position the organization for recovery, so they will continue to take a look at workload in all departments, and will be evaluating vacant positions to look at individual caseload across the organization. He said they must be prepared, however, to lead recovery efforts.

Mr. Richardson said the budget-balancing strategies staff will put in place -- with some structural ongoing money cuts, along with the strategic use of some one-time money -- should position the County into the fall to be more flexible and nimble as they continue to monitor what the new economic base looks like.

Mr. Richardson said it would please the Board to know that at this point, they are not looking at the strategic reserves, which includes the 1% stabilization fund that the Board has had for several years, as well as several other strategic reserves that are tied to the Strategic Operating Plan.

Mr. Richardson said that going into next year, for the first six-month period, there were several obligations and mandates that had to be pushed forward from the current year into next year. He said these were mandates and obligations that the County was going to inherit, going into the next year.

Mr. Richardson said as mentioned, they would maintain their strategic reserves. He said they have rebuilt the budget for the next year with no market increases and no compensation increases across the board. He said they would have to postpone the implementation of minimum wage, which had been a high strategic priority of the Board and that the County was poised to make significant steps, along with the School System, in order to be competitive on entry-level positions. He said this would have to be postponed until they get into the next year and see what economic recovery looks like.

Mr. Richardson said as mentioned, they are freezing 15 positions in the current year and that going into the next year, staff projects that they will have to freeze a total of 35 positions (which is about 5% of the workforce) in order to be able to capture enough ongoing salary savings to ensure that they are

able to cover the gap next year.

Mr. Richardson said they will continue to review the healthcare program, with the hope to roll over the healthcare program flat the next year, which would mean no employer increase and no projected increase for employees. He said staff is still doing technical adjustments to make sure they can do it.

Mr. Richardson said one of the major budget-balancing strategies for the next year is reducing each department's operating budget with the hope that they will be able to hit a mark of between 5-10%. He highlighted that there is absolutely no way that the County can cut 5-10% of the department's operating budget and not see some effect on services the County provides to the community each day. He said it is too much of a reduction at one time, and that they would see reductions in services to some degree.

Mr. Richardson said staff is modeling what this looks like, and their goals would be that by the time they provide the budget to the Board on April 22, they have made adjustments and recommendations that are hopefully the least noticeable as they go through the next year.

Mr. Richardson said the County is fortunate in that they will be able to incorporate some fuel savings. He said staff has also gone through the Fleet Replacement Plan and has done a good job over the years in being responsible and diligent in servicing, maintaining, and replacing fleet whenever needed. He said next year, they would put this on hold for likely at least 75-80% of planned fleet replacements, which would generate some nice one-time savings that the County needs in order to help balance the budget next year.

Mr. Richardson said as they get into the fall, they will also implement Fire Rescue systems adjustments. He said in the upcoming budget, they would have to budget for at least 12 full-time staff that will be replacement staff for the Charlottesville-Albemarle Rescue System (CARS), and will be planning to bring those staff on board so they can continue with ALS EMS services.

Mr. Richardson said there are also some expenses associated with early voting, and that he recommended continuing to support key community agencies, as many relationships with nonprofits need to continue as the County continues to serve its citizens in recovery in the summer and later in the fall.

Mr. Richardson pointed out that as they work through the levers and recommendations of rebalancing the FY 21 budget, and as they move from FY 20 to FY 21 and consider some of the things they are doing with no compensation (e.g. freezing positions, healthcare fund), they are facing a \$5.7 million shortfall for the next year. He said this shortfall equates to nearly 3 cents on the tax rate. He reiterated that there was no way that the organization, with its size, would be able to absorb this and not be, in some way, noticeable to the County and to the citizens it serves.

Mr. Richardson said this is a significant shortfall, but that he is confident that over the next week or two, staff will be able to close the shortfall and provide a budget that is responsible and sound, given the situation.

Mr. Richardson said as they enter the second six months of the next fiscal year, he hoped they would be managing the first half of the fiscal year under the strategies he outlined. He said he believed the community's economic picture should be clearer than it is currently. He said as they approach the second six months, they will be able to evaluate the readjusted economic picture and hopefully see some signs of recovery. He noted that they do not know what that looks like at present time, but that they would see what the new economic base looks like.

Mr. Richardson said they would have had almost six months to evaluate year-to-date revenues and expenses as they approach the second six-month process, which will give staff an opportunity to adjust to revisit options, as necessary. He said this could mean additional structural cuts or, if they see signs of the economy recovering in the community, it could mean reconsidering things that had to be paused, frozen, or suspended. He said these things would be discussed with the Board at that time.

Ms. Palmer said that when Mr. Richardson was talking about the first six months, he spoke about the \$5.7 million shortfall, and that this was for the whole year. She asked if the majority of the shortfall was in the first six months, or if it was extended or proportioned throughout the year.

Mr. Richardson replied that the \$5.7 million shortfall going into FY 21 is the amount of money the County needs to make up for the entire fiscal year. He said when dividing the 12 months into two six-month periods, staff has made projections for the entire next fiscal year on the revenue side. He said in the first six months, staff would be providing to the Board a blended approach of ongoing structural cuts, along with the use of one-time savings.

Mr. Richardson said as they move to the mid-year point, with six months under their belts of looking at six months of performance, they will be able to see if the revenue projections have been accurate, too low, or too high. He said from that, they would be able to discuss with the Board, on an ongoing basis, as to whether or not they've made enough structural cuts over the \$5.7 million, and they are on track for whether they can begin to back off somewhat and reconsider some things, if they have an economy that is performing better than what they had thought. He said \$5.7 million is for the entire year.

Ms. Price pointed out that they could get somewhat of a double-savings in the respect that fuel

prices are lower, and that she sees this would incorporate some savings. She added that with social distancing, people may not be putting as many miles on their vehicles, so that may extend some the mileage longevity of the fleet vehicles before they need replacement. She said she knew that Mr. Richardson would be paying close attention to that so that they do not find themselves in a bad situation coming out of this, where they are incapable of delivering services.

Ms. Mallek said the Board was grateful that they would be seeing quarterly updates on all these buckets of money so that they are keeping track and paying where they expect to be.

Mr. Richardson asked Ms. Allshouse to give an overview to the Board as to where staff is in its review of the capital budget, and that they would then go to the recommended schedule.

Ms. Lori Allshouse (Director of the Office of Management and Budget) said that in addition to an operating budget, the Board would also be asked to approve a capital budget. She said there is a robust CIP program, which is a five-year plan, and that they also carry forward projects from prior years.

Ms. Allshouse said staff is coordinating very closely with the School Division. She recalled that over the past year, the Board of Supervisors and School Board worked closely together to develop a CIP, identify projects that are important to the community, and place them into a plan. She said in that spirit, staff is working closely with the School Division's staff on a weekly basis, going through the projects that are not only planned for FY 21, but for the current fiscal year projects.

Ms. Allshouse said staff is also monitoring cash flow in the County and the situation with the bond market to make sure they stay abreast of what is going on. She said they are working closely with financial advisors as well. She said capital projects are often large and involve borrowing, and so staff is paying close attention to this as well as the current economic situation in the community.

Ms. Allshouse said staff is working with School Division staff to identify recommended projects to continue, and determine which ones could be delayed for some time until there is a better economic picture.

Ms. Allshouse said that much like the operating budget, some structured appropriations can be done with the capital budget. She said they will plan for appropriations but, when thinking about the 3-6-6 plan, staff will learn more about the economy and appropriate additional projects as they go along, if they think the economy and the County is in a good situation to responsibly finance those projects. She said it will share the same type of incremental approach, although it is somewhat different because of the nature of capital projects.

Ms. Allshouse said in addition to the capital budget the Board would be approving for FY 21, staff also recommends that they amend the CIP mid-year. She said the CIP that was put together through the fall will be a plan, and not a budget, so it would be maintained as-is. She said in the fall, when there is a better understanding of the economic picture, they can again coordinate with the School Board and Advisory Council to look at the CIP in a more structured way, likely by December.

Ms. Allshouse said the plan was to delay the CIP's development and study both current and FY 21 projects. She said the Board would have a list of FY 21 projects in the recommended budget on April 22.

Ms. Allshouse presented a slide with an overview of the new schedule. She said staff recommended changes to the schedule, with one being that evening on changing the timing of the public hearing.

Ms. Allshouse said the current meeting was April 13's public hearing of the tax rate. She said staff planned to ask the Board to delay the public hearing on the actual budget to later in the process. She said on April 15, staff would be asking the Board to approve the tax rate. She said on April 22, staff would bring the updated FY 21 recommended budget forward, and would also post it on the County's website for the community to see. She said it would not be the same as the current document, as that document is about 300 pages long, and the Board would have a much smaller summary document that will include pertinent information.

Ms. Allshouse said the public hearing would take place on May 6, and that there would be a public engagement period that will include many avenues for the public to become involved in the budget process. She said staff is currently working through this to identify what those avenues are. She said this would mean a longer public engagement period as well as more robust way for the community to participate.

Ms. Allshouse said the Board's first work session would take place on April 29, followed by the public hearing on May 6. She said there would be a second work session on May 11, if anything needed to be wrapped up. She said on May 14, the Board would approve the budget, and that in June, the first part of the appropriations for the year would occur.

Ms. Allshouse pointed out a note on the slide about the Governor's budget. She said the State budget is important to the County, and especially to the School Division. She said staff was beginning to see some information about the State's budget, and would be learning more about it.

Ms. Allshouse recommended postponing the public hearing on the FY 21 budget until May 6.

Mr. Gallaway said this would be an action item that the Board would have to approve, after having questions answered.

Ms. McKeel said the proposed timeline and recommendations were excellent, and that it was a good idea to postpone the public hearing until there is more time to evaluate.

Ms. Price concurred with Ms. McKeel, adding that she appreciated the work of County staff.

Ms. LaPisto-Kirtley agreed. She said she liked the extended public comment period that staff provided.

Ms. Mallek agreed, adding that all the work that went into developing the original budget made it even more possible for the County to better handle the pandemic. She said thankfully, this was in the last quarter of the year, and that hopefully, everyone would be well again as soon as possible. She said she believed the rollout of the information was thoughtfully done.

Mr. Gallaway concurred. He said it was smart to postpone the public hearing so that the hearing can be specific to the items and new information they will have.

Ms. Palmer agreed.

Ms. Mallek **moved** the Board postpone the public hearing on the FY 21 budget until May 6. Ms. Palmer **seconded** the motion.

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

AYES: Ms. McKeel, Ms. Palmer, Ms. Price, Mr. Gallaway, Ms. LaPisto-Kirtley, and Ms. Mallek
NAYS: None.

Agenda Item No. 3. **Public Hearing – Calendar Year 2020 Tax Rates.** To receive comments on Proposed Tax Rates for CY 2020. *(Advertised in the Daily Progress on March 10, March 11, and March 12, 2020)*

Ms. Allshouse explained that this was not only about the real estate tax rate, but other tax rates as well. She presented a list of the tax rates that were available for public comment that evening.

Ms. Allshouse said the real estate property tax was an important one. She said the calendar year 2020 real estate tax rate was 0.854 per 100 of assessed value. She said each penny in the real estate tax rate yields around \$2.1 million in estimated collectable real estate revenues. She said the lowered and effective tax rate would be 0.826 per 100 of assessed value.

Ms. Allshouse said the Board would be asked to approve the proposed tax rates on April 15, 2020.

Ms. Palmer asked what recreational vehicles (RVs) fall under in terms of personal property.

Ms. Allshouse replied that they are considered to be regular personal property.

Mr. Greg Kamptner (County Attorney) confirmed this.

Mr. Gallaway opened the public hearing, noting that this was the first time they were holding a virtual public hearing. Hearing no comments from the public, he closed the public comment portion and brought the matter back to the Board. He noted that the Board had received some emails and communication from the community regarding this item, and that each Supervisor had read those.

Ms. Price said as Mr. Gallaway mentioned, each Supervisor had received correspondence from the community, and that she acknowledge receipt and reading of those. She recognized that a number of communications came in, specifically addressing concerns of the current economic situation, and that there were a variety of suggestions for the Board to consider. She stated that she has reviewed and considered those suggestions, but that ultimately, she believed that the Board must continue to ensure that the County remains a viable entity that can provide essential services to its constituents. She said she supported maintaining the current tax rate.

Mr. Kamptner noted that the Board would not be taking action on the tax rate until April 15.

Agenda Item No. 4. From the Board: Committee Reports and Matters Not Listed on the Agenda.

Ms. Palmer said she wondered what kind of flood damage had happened in the County for roads overall from the previous evening's and that morning's flooding. She said she had sent out an email with a picture from the Howardsville Turnpike in the Samuel Miller District, and that she wanted to know if there was more damage to roads County-wise.

Ms. Price expressed appreciation to staff, particularly to Mr. Doug Walker and the Incident Management Team. She said the communication the team has provided to the Board on a daily basis, and the demonstrated continuity of operations in the time of a medical disaster, has been incredible.

Ms. LaPisto-Kirtley thanked staff for their work and said she was proud to be a member of the Board.

Ms. Mallek said that afternoon, she attended the EPA's small local government advisory committee. She said there would be changes to air quality rules, such as ozone and particulates, and that it was terrifying. She said she would do her best to keep everyone up to date on what she learns and ways that the Board can participate and make their voices heard.

Ms. Mallek said she was grateful for the work that people throughout the community have done to share the importance of people staying at home. She said even though the numbers in Albemarle County were shockingly high to her, she hears about fewer dangerous activities happening. She said she has explained to people curious about the ambassadors at the parks why they are there, and that hopefully, the County would be able to see improvement on this going forward. She said health has to be fixed before the budget can be fixed.

Agenda Item No. 5. From the County Executive: Report on Matters Not Listed on the Agenda.

Mr. Richardson said the Incident Management Team has been evaluating the breadth of impact on COVID-19 to the community. He said the Fire Marshall's office brought forward a concern around commercial burns during the COVID-19 pandemic. He said the Incident Management Team staff recommended to him that he acts in his capacity as Emergency Manager to extend the current ban on commercial burning for 30 days, and to 24 hours per day. He said he would like to make that action and make it effective the next day (April 14). He said this would extend the commercial ban from May 1 through May 31.

Mr. Richardson said the reason for the extension was the exposure to smoke in the Development Area. He said when the commercial burn restrictions were changed a few years earlier, the County set the hours from 8:00 a.m. to 8:00 p.m., operating under the assumption that people would be at work and school during this time. He said a commercial burn ban extension was proposed in recognition that with more residents exposed to smoke from the commercial burns in the Development Area, respiratory issues could be expected to increase. He said the respiratory issues associated with COVID-19 create a public safety risk.

Mr. Richardson said the Fire Marshall's office has already reached out to the sites currently doing commercial burns, and there are three that the County is aware of. He said for two, the extension of the commercial burn ban would not present an issue. He said the third, which is associated with the North Pointe development, has indicated that it will negatively impact their site development timeline.

Mr. Richardson said staff recommended that he take the action to extend the ban, and that under the current state of emergency, the County Attorney prepared an order. He said he was prepared to take action the next day. He said they would also appropriately notify the public.

Ms. Palmer noted that the Health Department now puts an asterisk next to the COVID-19 numbers they publish indicating that because of the lack of testing, there are many more cases in the Thomas Jefferson Planning District than are being reported. She said this was important in talking with some healthcare workers that are answering phones, who are receiving many calls and telling people to stay home.

Ms. Mallek asked Mr. Kamptner if the Board has the authority to do a similar ban on agricultural burning. She said over the weekend, there was a late afternoon fire done right next to a boundary line, which filled many houses close by with smoke. She said there was no notification given to anyone around. She said even at a quarter mile away, there is an impact on breathing and those who are respiratory impaired. She asked if the Board had authority to place a ban, or if the State would have to do this. She said during the EPA call that day, it was mentioned that the federal government is considering a ban, but that she hoped they would not have to wait that long.

Mr. Kamptner said this was discussed at one of the IMT meetings, and that the Fire Marshall's recommendation was to start with the ban on commercial burning to see how this would work. He said potentially, the order could be expanded to include all types of burning. He said he believes that as the Director of Emergency Management, Mr. Richardson would have the authority to extend the ban to other types of burning.

Ms. Mallek said she would endorse this.

Ms. McKeel said she would endorse this as well.

Ms. Price agreed with the comments about the burning ban. She said as she understood it, one of the commercial enterprises indicated that a ban on a commercial burn would have an impact on their development. She asked that they continue to monitor the situation so as to not unduly burden the

opportunity for economic interests to continue. She said they do not, however, want to put health at risk over the economy, at this point. She said if it works out that there is a way later on, and it is reasonable, she would not an objection to an exception being made. She said on the same token, she supported the health impact of not having the burns, as this is a respiratory illness and the burns would put people at greater risk.

Mr. Kamptner said the order does identify chipping and hauling as alternatives that the developers could pursue in lieu of the ban on open burning.

Ms. Price said this should solve the problem.

Ms. Mallek said the chippers and haulers in Free Union and Zion Crossroads cannot get enough chips to be able to run their kilns and to supply the poultry industry in the Valley and thus, there is definitely a market for this. She said it is assuredly better to haul the material away to a place where things can be ground up offsite. She said if the burns have to happen, there should be daily inspection and determination of the way the wind is blowing. She said to give a 30-day permit regardless of the weather, as was the circumstance she had mentioned, it was a serious problem.

Agenda Item No. 6. Adjourn.

At 7:17 p.m., the Board adjourned their meeting to April 15, 2020 at 3:30 p.m. Mr. Gallaway said this meeting will be held by electronic communication means using Zoom and a telephonic connection due to the COVID-19 state of emergency, pursuant to Emergency Ordinance 20-E(2). He said information on how to participate in the meeting would be posted on the Albemarle County website, Board of Supervisors homepage, and the County calendar.

Chair

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| Approved by Board |
| Date 08/04/2021 |
| Initials CKB |