

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on April 22, 2020, at 3:30 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 15, 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 3:30 p.m., by the Chair, Mr. Gallaway.

Introductions. Mr. Gallaway introduced staff present.

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

Mr. Jeff Richardson, County Executive, presented. He introduced Ms. Lori Allshouse (Director of the Office of Management and Budget), noting that she and her team have come back to him with a revised recommended budget for the Board's consideration. He said an 80-page document would be provided that will be out for public inspection over the next week.

Mr. Richardson also introduced Mr. Doug Walker (Deputy County Executive), Mr. Trevor Henry (Assistant County Executive), and Ms. Emily Kilroy (Director of Community Engagement), noting that each individual has played a tremendous role in the process.

Mr. Richardson said the team had been before the Board prior to that day to talk about the challenges they face, not only leading into FY 21, but also in closing out the current fiscal year with the recent economic crisis. He said they have talked openly about the revenue gaps they face going into FY 21.

Mr. Richardson said he was pleased to state that they had a rebalanced, revised recommended budget for the Board's consideration and that they would be talk with the Board during upcoming work sessions as well as a public hearing, with an opportunity for the public to provide comment to the Board, and that they would walk the Board through the rest of the budget process.

Mr. Richardson said he and Ms. Allshouse were at a point with the Board where they typically discuss the current status of the budget. He said there are other key staff present and that behind the scenes, it has been a tremendous team effort.

Mr. Richardson reminded the Board and general public that 63 days earlier, the team had presented the FY 21 recommended budget, on February 19. He said personally for him, it felt as if it had been much longer than 63 days, as things had evolved in an interesting and eventful way since that time. He said the recommended budget had had the title, "Expanding Opportunity," and that it featured cornerstone connections to significant capital investment in key community infrastructure areas. He said this had been a focus on the future and the Board's strategic initiatives, and what were the biggest opportunities moving forward to make the biggest impact on the quality of life of the community.

Mr. Richardson said within that budget, they had also had a significant emphasis on the County's Equity and Inclusion initiative. He said they had also talked a great deal about quality government operations and the continued investment in business process optimization efforts, systems design, and IT upgrades which were all focused at being able to serve the public more efficiently and more effectively as they move into the future.

Mr. Richardson said much had happened over the last 63 days, expressing appreciation to the Board for their patience, support, and care. He said he would be presenting a balanced budget off of a tax rate of \$0.854 cents per \$100 of assessed value, noting that this was the same tax rate as the present year's rate.

Mr. Richardson said he would talk about the revised FY 21 approach, present an overview that includes the revised FY 21 economic drivers for revenue, then talk in more detail about what the revised FY 21 recommended budget looks like. He said there were things to discuss that had not been previously talked about in public, both operationally and with the capital work being done in tandem with the School System. He said he would close the presentation with next steps.

Mr. Richardson said he wanted to open the meeting up to questions from the Board that day for staff to answer before closing the meeting. He said there would also be a work session on April 29, and that Ms. Allshouse would suggest how to spend that session's meeting time.

Mr. Richardson said as they worked through the revised recommended budget, they had to

rethink the guiding principles were over a vastly different revenue scenario. He said in their fiscal year budget development principles, first and foremost, they must adhere and lay a foundation that they will align with the County's financial policies. He said this budget does that.

Mr. Richardson said they would continue to respond to essential services and needs of the community. He said he believed this budget also does this. He said they have prioritized essential service needs not only with where they are now, but that they are also trying to anticipate how the needs may change between now and into the later part of the year.

Mr. Richardson said this hopefully positions the organization to help to lead the community's recovery efforts. He said this was important as they have an invested interest in the quality of life, economic vitality, and the connection they have with individuals, households, and the business community. He said the Board has approved efforts staff has made in the short term to reach out to the community in this fiscal year, and that those efforts would continue into the next fiscal year.

Mr. Richardson said there is a need to remain flexible and adaptable. He said as he has previously shared with the Board, he has spoken with the community leaders tied to economic development and vitality, and that he has talked with them about the County's strategies not only for closing FY 20, but as they move into FY 21. He said each community leader he spoke with advised him that the further they go with this, the more they will learn and know. He said some emphasized to him that by June to July, they would know much more than they know now.

Mr. Richardson said they have a deadline to pass the budget and that they would do so by May, but that with the strategy of looking at the next year in two six-month increments, the County has positioned itself to remain flexible and adaptable.

Mr. Richardson said they have separated the work into three distinct, connected sections: the three months they are currently in, the six months in the first part of next fiscal year, and beginning in January of next year, the final six months. He said this gives the ability for the Board and staff to work and remain nimble and adaptable, to be able to lead recovery efforts. He said if the economy does better, they can add back things they have paused. He said if the economy does not come back as they expect, they can work through additional structural changes that may be necessary moving towards FY 22.

Mr. Richardson said that underpinned in this budget was the maintaining of strategic reserves. He said the Budget Manager, Mr. Andy Bowman, stressed this when they started the process, and said they needed to rebuild and balance the budget by maintaining strategic reserves. He said this includes the 10% fund balance that the organization holds as a cornerstone part of its financial policies and AAA bond rating. He said additionally, they have also maintained the 1% Stabilization Fund that they could possibly need later in the fall, depending on what the economic picture looks like.

Mr. Richardson said the Board had also maintained a Strategic Initiatives Fund Balance that is approximately \$2 million. He said this remains intact, and so the budget before the Board that day has those reserves intact. He said they will keep these and that they tie directly not just to financial policies, but to essential services and the leading of recovering efforts. He said the more money they have in reserve going into the fall, the more flexible and adaptable they can be.

Mr. Richardson presented a slide about the fourth quarter. He said they were rebalanced in the current year. He said the bullets on the slide outlined the steps that have been taken, and that they would continue to monitor those steps, revenues, and expenses. He said once they go through June 30, they will have taken the steps needed to ensure they balance as they close out the fiscal year. He said there would be an audit period of reconciliation of expenses throughout July and August, followed by an audit. He said later in the year, formal reporting would be given to the Board.

Mr. Richardson said he would focus on the FY 21 budget with Ms. Allshouse, where they would talk about the first and second halves of the 20-21 budget. He said it is split into the two six-month segments, as staff suggested.

Mr. Richardson presented a slide, noting it is used when going through the work sessions and budget balancing process. He said it is a snapshot of the major local revenue drivers for the community. He said these numbers have changed drastically from what was presented to the Board in mid-February. He said when combining all the revenue drivers together, it equates to approximately just over a \$5.5 million loss of revenue leading into the next year.

Mr. Richardson presented a new slide, explaining that it suggests there is a \$59.7 million downward adjustment from FY 20. He said on April 13 and April 1, they were focusing on General Fund operations from FY 20 to FY 21. He said there is a significant, robust capital fund, and over the last year to 18 months, the Board of Supervisors and School Board have spent significant time and effort prioritizing the highest needs. He said they have talked over the last year through several combination School Board/Board of Supervisors meetings about what the highest capital needs are, moving forward. He said there was an ambitious capital program looking out over the next five-year period.

Mr. Richardson said that for next year, with regard to the \$59.7 million reduction in spending, about \$50 million of that is in the capital program. He said for FY 20, that is an approximate \$68 million capital budget, and that recommended in the FY 21 budget, that would go down to approximately \$18 million. He said this is about \$50 million in spending for next year for the capital budget. He highlighted

that \$18 million would be recommended to go forward.

Mr. Richardson said additionally, there are two other areas that make up the remaining \$9.5 million. He said revenues were lost to the General Fund, which the Board has control over, along with recommendations and work from staff and key department leadership. He said that makes up just over \$6 million. He said there is also a transfer to schools, as they have a significant and collaborative relationship with the public school system. He said adding those three numbers together, this is how they arrive to the all-funds reduction of just shy of \$60 million.

Mr. Richardson said before going into the details of what is making up the revised recommended budget for FY 21, he would present a slide showing what is done in the County at the governmental level behind the scenes. He said this work does make an impact on the quality of life and economic vitality of citizens and helps to make the community a destination community. He said the size of the circle on the slide denotes the amount of financial investment and the size of the programs comparatively across County Government.

Mr. Richardson said what was not shown on the slide were the amazing employees who help make up each department. He said each department has stories to tell over the past 6 weeks that showcases their commitment and care to the Albemarle County community. He said for most of the employees who are working, they are either out serving the public, or at home resting from the shift work they do on nights and weekends. He thanked those employees for their continued, valued commitment to the citizens.

Mr. Richardson said final adjustments have been made to revenues and expenditures, and that they are now representing a \$6.4 million reduction in the FY 21 revised recommended budget compared to the FY 20 adopted budget. He said this has been somewhat of a moving target, as staff has talked to the Board several times over the past 30 days and provided a snapshot of where they were in revenue and expense projections for FY 21. He said each time they have talked to the Board, these have somewhat adjusted.

Mr. Richardson said they now have all funds included, and all revenues and expenses. He said they have landed a number going into the fiscal year budget, and that the number is what they balanced off of, accordingly.

Mr. Richardson presented a chart highlighting the critical partnership that the County has with the public school system. He emphasized the collaborative effort that has occurred at the staff level. He said Ms. Rosalyn Schmitt and her team have been working with staff on revenues, expenses, and capital to determine what they look like leaving FY 20 and going into FY 21. He said a significant amount of work has been completed on FY 20 capital projects, as well as FY 21. He said they will devote some time next Wednesday to make sure the Board has a chance to learn or understand projects that are delayed or paused, and those projects that have been recommended to move forward with and why.

Mr. Richardson said they were responding, recovering, and recalibrating as they go into the next fiscal year, and as they see what the economy looks like over the next many months. He said this will determine how they can serve the community in the best possible way.

Mr. Richardson said he would talk about public safety, as this has been one of the more complex areas of the FY 21 recommended budget. He said there are 12 positions for Advanced Life Support (ALS) coverage that were loaded into the initial budget in January. He said it was one of the starting features that needed to go into the budget, and that the Fire Rescue department learned last year that the Charlottesville Albemarle Rescue Squad would not be able to provide the level of service on nights and weekends, moving forward into FY 21, that they had enjoyed in the past. He said they began to make immediate adjustments necessary for budget purposes by bringing 12 positions on board to fill the service gap in ALS, beginning in July.

Mr. Richardson said what was not included in the budget was the addition of 10 positions for Fire coverage. He said the Crozet Volunteer Fire Department, which is an exceptional fire department who has done fantastic work for the Crozet community for many years, has experienced increasing difficulty to provide the necessary Monday-Friday daytime services. He said the fire chief was faced with the challenge of determining what they can do to adequately serve that part of the County.

Mr. Richardson said what has emerged is the opportunity to serve that community and provide a broader view of the County's needs. He said this has been loaded into the budget as an added feature since they first brought the budget before the Board in February.

Mr. Richardson said the next item was apparatus. He said that along with the planning for the additional personnel to be able to fill the gaps in service, and to ensure no drops in service across the County, they had to plan adequately for their apparatus needs, which includes a fire engine and two ambulances.

Mr. Richardson said the investment included in the budget for radio and mobile data computers serves the entire public safety system. He said their emphasis is on their first responders in the field and making sure that their IT backbone infrastructure is serving them with their needs in the field.

Mr. Richardson said in talking about the challenges the Fire Department had in working with the Crozet Volunteer Fire Department, the approach for the December timeframe was a reengineering

proposal that they have repositioned some of the existing staff from across the County from some of the lower-volume call areas, with an emphasis on some of the higher-call areas (including the Crozet area). He said they have talked publicly with the Board about this and were asked to step back and consider other alternatives.

Mr. Richardson said around that time, the Fire Department identified a federal grant that is available, and that the timing is nice as it relates to what they are trying to accomplish. He said they are positioning to apply for this federal grant through FEMA, with the application due in mid-May. He said they would maximize and leverage the grant by asking for 10 positions.

Mr. Richardson said the grant would be awarded in the late summer timeframe, which works well, and that if the grant is successful, the Fire Department would bring on 10 positions, take them through the schools, then position the new firefighters throughout the system to address some of the gaps previously mentioned, along with also shoring up in the Rural Areas the need for continuation of Fire and EMS services.

Mr. Richardson said the federal grant has a value of about \$1.2 million over the next four fiscal years. He said if they are successful with this grant, it allows the County to financially plan and gradually absorb the full funding of the positions and that would begin in FY 25. He noted on the graph on the slide that in FY 21, the net cost to the County would be approximately \$168,872. He said this amount of money is loaded into next year's fiscal year revised recommended budget.

Mr. Richardson said they are planning to be successful with this grant opportunity. He said they will strategically look to place these firefighters both in the Crozet area, and ultimately, into the second-busiest area of the County (the Pantops area). He said this will strengthen the overall system to meet both existing and future needs in the community.

Mr. Richardson said they are also positioning themselves in this time for economic recovery in the community, as well as meeting business, individual, and household needs. He said he believes this budget, and how they have realigned and continue to align the recommended funding for next year, takes this into consideration.

Mr. Richardson said he would talk to the Board about key partnerships with outside agencies. He said many of the outside agencies are closely aligned with the community and for people who need support, services, and assistance on an ongoing daily basis. He said this revised recommended budget takes the funding recommendations that go through the ABRT process and continues to look to fund and support recommendations to all agency partners. He said this is important because of the relationship the County has with these nonprofit organizations, and the services they provide the community.

Mr. Richardson said additionally, they have continued to place in the budget a \$20,000 increase in the Emergency Utility Fund. He said this is a program that is housed in the Department of Social Services and that in FY 20, this program received \$40,000 in funding. He said the \$20,000 increase would increase the fund by 50% and take it to \$60,000 going into FY 21.

Mr. Richardson said the budget also continues to recommend that they place the healthcare worker at the Yancey Community Center. He said this is the second year of programming over the Equity and Inclusion initiatives and efforts. He said at the Equity and Inclusion Office, they have grown the commitments, programming, and outreach in that part of Albemarle County. He said the regional Health Department has been a key community and agency partner, and that this position will remain.

Mr. Richardson said they have also added and kept in this recommended budget additional funding for language accessibility support. He said he previously reported to the Board in February the growing number of citizens who qualify for services in the community in which English is not their first language. He said the Department of Social Services works very closely with these people and are looking for a more unified approach and robust program to better serve citizens, moving forward.

Mr. Richardson said business and commerce continues to be a key element in the County positioning itself to lead recovery in the community, moving forward into the year. He said within the economic development efforts, they are here to support the businesses, and that the Board recently supported the microloan program, with which they are partnering with the City. He said they are moving the program into the operational stage.

Mr. Richardson said there are public-private partnerships and ways they can leverage public funding with private investments to generate public good, and that they continue to provide this funding in next year's budget. He said they do not know exactly, moving into the fall, what the business and commerce community may be asking for or needing as the economy hopefully starts up again. He said he believes that the investment in additional money for next year and their economic development efforts will pay dividends for the County as they go into the fall.

Mr. Richardson said additionally, they are also focusing on supporting the local economy with capital investment. He said this includes construction jobs and spending for materials, mills, architectural and engineering services.

Mr. Richardson said essential services have remained open to the general public. He said he visited with the Building Inspections Director, and that they discussed the continued high volume of work and long hours from the County's building inspectors and plan reviewers. He said they are still accepting

applications and are open for business in the Community Development Department, which is all focused on keeping local businesses moving forward.

Mr. Richardson said he had spoken to each Supervisor about the need to remain nimble and flexible as they move into the fall, as they do not know how the economy will respond in the fall. He said they are positioned to recalibrate as necessary and in order to be able to put themselves in that position, they needed to create capacity that they otherwise did not have. He said they have lost significant revenue in the last three months of this year and have financially forecasted next year to the best of their ability. He said they are planning for severe revenue loss in next year's budget, and in doing so and recalibrating, they had to create capacity.

Mr. Richardson said they have created capacity in meaningful ways, and that he would highlight staff and organizational impacts. He said from next year's budget, they have removed all recommendations for salary increases. He said they will delay the implementation of the \$15/hour minimum wage that the Board had heartily supported and had worked hard to get into the first recommended budget. He said this would be delayed into later in the year to see what happens.

Mr. Richardson said they would remove the 2% salary increase that had been previously recommended. He said they would also reduce the salary reserve for reorganization, reclassification, and promotion. He said they are reducing this by \$150,000.

Mr. Richardson said departments were asked to go through cost-cutting measures of between 5-10% to each department's operational budget. He said as a result, almost \$400,000 has been removed from next year's budget for training and professional development.

Mr. Richardson said they have delayed or deferred equipment, furniture, and key fleet replacement for next year that has produced over \$1 million in cost savings for next year.

Mr. Richardson said they took the business process optimization funding they had used over the past 12-18 months to help emphasize system integration and improved customer service processes and have lowered that funding by \$350,000.

Mr. Richardson said in the current year, they have frozen 15 positions, which are currently vacant, and propose that they continue to freeze vacant positions. He said once they go through a review process between now and the end of the year, they will look at the functions that are provided within the department, the other vacancies in the department, the work that needs to be done, and the impact on the citizens. He said for next year's budget, they will propose that they go for a goal of approximately 20 additional positions and when adding everything on the page before the Board, this equates to approximately \$5.7 million.

Mr. Richardson said this is capacity that staff has created with the support of management teams, department heads, and budget team. He said everyone has worked hard to create this in short fashion so that they can reposition themselves with a balanced budget next year. He emphasized that this has no impact on employees and has less impact on the citizens they serve, who will not see as much of a drastic drop in programs and services by implementing this strategy going into the fall. He said it will be difficult for employees and managers to be able to work with less resources that they have in the past, but they would be monitoring revenues, expenses, and revisiting this strategy with the Board by the fall of this year.

Mr. Richardson said he would talk to the Board for the first time about noticeable service levels and program impacts. He said he is recommending for the next fiscal year that they eliminate the recreation programs that they would typically provide citizens throughout the summer months. He said this would affect 114 temporary, seasonal positions that will not be hired. He said this is the time of year that Parks and Recreation works closely with Human Resources to gear up for the summer months and are typically busy months. He said this has a budgetary savings needed for the coming year in order to balance.

Mr. Richardson highlighted that in addition to there being a budgetary impact, there is also business analysis that needed to be taken into consideration for the summer programs. He said they had to take a step back and ask themselves when they would know that they would be back to a normal state of operations to put these services and programs online for the public, and if they would even be accepted with the current stay-at-home orders. He said with being behind and the window closing for bringing these positions on for the summer, the question was about how much of the summer they could preserve as business as usual.

Mr. Richardson said they concluded that it was just not worth the expense, resources, and effort to roll this out this summer with business as usual. He emphasized that the parks this summer would remain open. He said staff has worked diligently with the Board's support to continue to operate and open the parks as a recreational and exercise outlet for the citizens of the County. He said these are the programs that come online each summer through the Parks and Recreation department with full-time and temporary staff. He said in the budget, he recommended that these programs be eliminated in the coming year.

Mr. Richardson said they have worked closely with the Facilities and Environmental Services department, and in their 5-10% budget cut work, they have said they will have to adjust some of the outside contracts that were focused on the corridors and public property the County owns and operates in

some key areas of the County. He said they are hoping to move these in a way in which it is not drastic, but that it will probably be noticeable to some degree that these programs will not get the attention they have had in years past, as they try to recover and capture some of the cost savings needed.

Mr. Richardson said they are reengineering an opportunity for significant cost savings. He said it is a part of their budget balancing strategy as it relates to the organization being faced with adversity over the last 45 days at the COB 5th location. He said that, for example, the Department of Social Services that is housed at the COB 5th location has approximately 150 employees there, and 140 of the 150 employees on a typically day are working out of their home instead of the building. He said DSS Director Ms. Phyllis Savides has been complimentary of her team's attitude and productivity, and that this adversity has opened their eyes to the opportunities they have, once they go back to the "new normal" and begin to invite employees back to work locations.

Mr. Richardson said this has challenged the organization to question its own work practices as it relates to the space it occupies, the parking, and how employees get their work done. He said to that focus, the management team recently revisited the commitment they had made with the Board's support to move voter registration out of COB 5th in anticipation of the 45 days of early voting that will come later this year. He said there is a significant uptick in voter traffic volume, and that there had been concern that the COB 5th location couldn't handle the parking. He said at times, it could be as high as 125 parking spaces per day.

Mr. Richardson said with the recent events that have occurred and the experience they have now with staff being able to work from home and adapt to the situation, they have revisited this and were confident in telling the Board that they would take the voter registration and associated functions back to COB 5th. He said they will utilize the space within the building in the smartest and most efficient and effective way for citizens coming to that site in the summer and fall. He said they will also work with the department heads at that location to manipulate the parking and open the spaces necessary to utilize some of the lessons learned along the way with employees working from home over the last 45 days.

Mr. Richardson expressed confidence that they would be successful this fall in moving this back over to COB 5th with the support of the Elections Director and the staff that work at that facility. He said this has been a learning opportunity for the organization and has enlightened them in ways that they wouldn't have known otherwise as far as what future opportunities they may have to revisit space needs going forward.

Mr. Richardson said this has a one-time upfit cost savings of over \$600,000. He said some of this money will be repurposed back to the 5th COB site for some minor alterations that will accommodate the traffic in the fall. He said importantly, this also has a cost avoidance of \$225,000 a year starting next year, as it will be able to keep the function at 5th COB throughout Calendar Year 20 and the Presidential Election.

Mr. Richardson said early next year, in Calendar Year 21, they would revisit how it went and what the customer experience was, as well as the staff experience with the services they provide at that location. He said he would report back to the Board what they accomplished and what they would need to think about in early 2021, moving forward.

Mr. Richardson said he was excited about this and hoped the Board would see that staff is excited about its ability. He said thinking about this opportunity, it was an unfortunate series of events that occurred, but that this was the silver lining as it has been a quick learning process for staff to see how they are able to work through the adversity of the past 45 days.

Mr. Richardson said staff has worked in sync with the Schools staff to identify current capital commitments in this fiscal year, as well as the capital projects that have been previously identified to move forward in FY 21. He said in looking at the framework moving forward, they knew that in the short term between now in the fall, there is a need to preserve cash, minimize additional debt and requirements, and delay certain projects to allow them to monitor the economic situation. He said they needed to support the local economy with capital investment.

Mr. Richardson said this is a balanced and practical approach that has been led by Mr. Henry, Ms. Allshouse, and Ms. Schmitt. He said they have worked over the last three weeks to look at each project and determine where it is currently, the timeline for the project, the associated cost with delay, and any operational impacts. He said these things were all taken into consideration to try to find the appropriate balance.

Mr. Richardson said on April 29, staff would spend significant time with the Board to talk through the rationale for the projects. He said this information was included in the handouts provided.

Mr. Richardson said that, in summary, they have adhered to the principles that were outlined at the beginning of the presentation. He said there has been a strategic framework in which they have approached the budget shortfall, tried to position the Board, and tried to position staff for their best work as they go into the fall and learn more about the effect on the local, state, and national economy.

Mr. Richardson said there had been an ambitious strategic plan and commitment to the community to positively affect its quality of life. He said they have tried to preserve as much of the work as possible, not knowing where they will be in the next 3-5 months. He said he believed they are positioned, with strategic reserves intact, to pivot in the fall and gear up if things do better than

anticipated. He said if there is a necessary restructuring with more permanent cuts, staff will work continuously between now and the fall in order to position themselves for necessary additional cost-cut considerations.

Mr. Richardson that while he, along with staff, have emphasized the need to fill the gap in the enhanced Advanced Life Support (ALS) Fire Rescue services with 12 positions that they had recommended because of the loss of that service, as well as the opportunity they have that has emerged for the federal grant (12 plus 10 more positions), they should look overall at the position count in the County. He said in the current year, they have 787 authorized positions, and as they go into the next year, they have repurposed and that they have frozen (or will freeze) approximately 35 positions. He said with that creation of capacity, they will be able to address the needs that have surfaced over the past 6-to 12-month period.

Mr. Richardson said they are still at a deficit of positions. He said over the past three years, coming into present time, they have averaged adding 27 positions per year. He said this is a “slamming on the brakes” in terms of position count to ask the organization to move in the other direction but maintain services and programs to the general public to the best of their effort. He said this is a significant amount of effort for the organization and that he could not be prouder of staff.

Mr. Richardson presented on a slide the 15 positions that were frozen in the current year budget, noting that these positions are spread throughout the organization. He said positions would continue to open up as they do, either through turnover or retirement, between now and the summer months. He said they will continue to evaluate every position as it opens in the organization, as he has discussed previously.

Mr. Richardson said he has talked about themes about being able to respond, recover, and lead the community. He said moving into the second half of the year, they will be able to revisit, respond, and implement the longer structural changes, if necessary. He said staff realizes this is the position they are currently in and are ready to work accordingly with the Board and community over the next 3-to-6-month period on any challenge.

Mr. Richardson paused to see if there were any questions from the Board.

Ms. Palmer said she did not see or hear anything about a change to the fund for matching grants, etc. for the Virginia Telecommunication Initiative (VATI) Fund. She asked if this was as intact as it was in the last budget.

Ms. Allshouse said her understanding was that it was intact.

Ms. Palmer recalled Mr. Richardson had said there were three evaluation points with mild, moderate, and severe projections, with “severe” being used for the last quarter of FY 20 and “moderate” for FY 21. She said she noticed in his presentation that he had referred to the FY 20 budget as a severe revenue loss. She asked if this was simply a choice of words, or if he had changed next year’s predictions.

Mr. Richardson replied that staff modeled three scenarios in the coming fiscal year: severe, moderate, and mild. He said they have stayed true to the middle option for the next fiscal year. He said they took the most severe option for the remaining three months of this year and built off that base, which has somewhat of a compounding effect moving into FY 21 in a positive way. He said there was some logic in taking the middle approach going into the next year because what they are doing is lessening the need to do deeper, more structural cuts in the short term, and hoping that the economy will respond to some degree.

Mr. Richardson said there was quite a bit of differential between next year, and that they have kept the middle approach. He said he was glad they did so because if they had taken the most severe approach that was modeled for next year, it would have required staff to do much deeper, structural cuts. He said he would have been disappointed to do that because it would have not positioned them to be as adaptable and nimble going into the fall and winter if things got better and they needed to load back. He said it would have been much more difficult for staff to be as responsive as they hope they will need to be when they get into the fall and winter months.

Ms. Palmer said her last question dealt with reserves. She said she appreciated the maintenance of the strategic and Board reserves, as it will be an interesting discussion under the current conditions on how to use them. She said Mr. Richardson did not mention, however, the reserve fund leftover from the last year. She said there was a General Fund balance that had been recommended to be included in the CIP Advancing Strategic Priority Reserves. She asked if this has been recommended to be used in a different way, or if it was still intact.

Mr. Richardson replied that when they were in the normal budget process, they had discussed the \$2 million Strategic Reserve that is focused on the Board’s strategic initiatives, and that the Board had also had a \$1.8 million amount that was reduced to \$1.56 million. He said both of those pots of money remain intact. He said in the early March work sessions, the Board had not made a final decision as to what they were going to do with the additional amount. He said both of those funds are available and intact, and that staff was excited that they were because it positions them to do things in the fall that they can currently not contemplate but may need to consider.

Ms. Price said she would reserve her questions and comments until after Ms. Allshouse's presentation.

Ms. LaPisto-Kirtley asked what the contingency plan was in case the FEMA grant did not come through.

Mr. Richardson replied that staff is optimistic that they will be highly competitive for the SAFER grant. He said they are trying to leverage and maximize that grant by requesting 10 positions that not only gives them the opportunity to address the situation in Crozet, but it also allows them to look across the County and the Pantops area to make sure all areas of the County are adequately served.

Mr. Richardson said in the event they are not successful, they have a contingency plan to step back and scale down the positions to the six positions that were originally contemplated to fill Crozet's needs. He said they would do this in tandem with the position freezes they have across the County. He said by that time, they would know much more about the economy and what is in store for the second six months of the next fiscal year.

Mr. Walker added that staff would be back in front of the Board to talk about how they would consider the available resources and add some additional staffing, particularly to meet the needs in Crozet. He said the value of the 10 positions with the SAFER grant enables them to also address the needs at Pantops, which is the second-busiest station in the County, but that the priority at this point has been in Crozet because of the demonstrated need for daytime staffing.

Mr. Walker said it is likely that without the SAFER grant, they would have to reduce their shorter-term request from 10 to 6 in order to provide the priority coverage in Crozet during the week and during the day, but still keep their eye on the need to provide the fire coverage during the day and during the week at Pantops. He said it may take them longer to get there, but they still believe this is the right strategy, with the hope that the SAFER grant will enable them to do this more thoughtfully and in a shorter timeframe.

Ms. Mallek said her question was about whether they could start training for those extra staff before July, when they know if the grant is coming. She said this is a long wait time no matter which route they take.

Ms. Mallek said she was sure someone would be calling her about unguarded swimming at the parks this summer, and she wasn't sure if there was an answer to this.

Mr. Walker said with regard to the timing of the staffing at Crozet, the opportunity they currently have is to take advantage of the current recruiting pool to bring on board staff that already have credentials that don't then require them to go through the typical Recruit School process. He said they have certifications in Fire and EMS. He said that shorter, expedited recruitment school will enable them to be fully staffed in the current allocated amount that, with some use of additional overtime stretched thin, will enable them to be able to have daytime staffing at Crozet Volunteer Fire Department as early as September. He said although this is a stretch, they do believe this is a reasonable estimate.

Mr. Walker said Ms. Mallek was correct about bringing new employees on and getting them to Recruit School and through ALS certifications. He said it does take additional time, but they believe it will make a more immediate impact on the Crozet area sooner than later.

Mr. Gallaway said that if the grant is not successful, he wants to know what the contingency plan would be.

Mr. Gallaway said if the grant goes through, and with Pantops coverage, he would be interested to see what the ripple impact would be through the other urban ring areas, and what it does to the coverage through the entire development zone in the urban ring. He said he would park this question.

Mr. Gallaway said as it relates to public safety and health, although he didn't disagree with the positions being added to Fire and ALS, he knew they had been slowly adding to police coverage. He said in the first or second six months, they need to make sure they keep this there as a priority to watch what coverage is needed for that department as well.

Mr. Gallaway said it may even be helpful to hear, at some point, from Chief Lance. He said traffic volume must be significantly down and that at some point, when times are lifted, he is concerned that there will be a high increase or bubble that will happen that will put more stress than normal on daily operations. He said he wanted to be mindful of what the plan is for that, and if they need to make any halftime calls with the budget relative to that department.

Mr. Gallaway said when Mr. Richardson was talking about the importance of economic development, he wondered if COVID-19 has changed any of the timelines for development in opportunity zones. He said this is such a tight piece and has to happen in certain points for it to make sense for the investors. He asked if the feds or anyone was doing anything to modify that timeline.

Mr. Gallaway said he noticed that on the slide for "business process optimization," the minus \$250,000 was half of what was going to be there. He said he was not against the savings going there, but that in the spirit of that, it is important that while they go through the COVID-19 piece, collecting and analyzing data on how working from home and the modified work plans have played out.

Mr. Gallaway said he would think all the departments would be analyzing their effectiveness and efficiencies, and as they come into the new normal, the question is if they are prepared to take advantage of what they have learned in this quick amount of time so that when they do recalibrate later, what they have learned will then be put into place and become normal operating procedure. He said he didn't think this would necessarily take money funds to pull this off, but if it does, it could be critical for understanding how to recalibrate.

Mr. Gallaway said with recalibration, they will need to determine priorities and how to add things back in. He said it is important for the Board, staff, and the community to understand priorities as they recalibrate that will come back online. He said this goes a long way to giving people confidence, while dealing with the current situation, to know that as they slowly come out, what pieces will get put back into place. He said he would imagine that this work is being done, and at some point, it may be something interesting for the Board to hear about, when the time is right.

Mr. Gallaway said there had been a space and facilities study going on, and that what they learn from this could have big impacts down the road. He said when they do the Board of Elections piece, and this current situation with working from home, it dawned on him that this space study becomes even more important right now. He said it is interesting how, in an emergency situation, an opportunity is created to become more efficient and to pull something off with one's own facilities.

Mr. Gallaway asked if they learned anything from this current situation to inform that space and facilities study so that as they continue forward, the resources are still there. He said the capital plans and strategic priorities could be informed by that study, to ensure they are using the property that is currently there the best they can, and that if they bring things online in the future (4-6 years down the road), they do not shortchange that work.

Mr. Gallaway said this study may have already been funded in the current year. He said he was trying to recall that conversation. He asked if there was anything that would throw off that space study other than perhaps timing.

Mr. Richardson replied no. He asked if Mr. Henry could comment on Mr. Gallaway's questions and comments, as he knew this had been at the forefront of some of the work Mr. Henry had been in charge of. He said Mr. Henry had talked openly about not only this situation with being able to rethink voter registration, but more broadly in the context of the space needs study.

Mr. Henry said the project and assessment is currently funded, including the expanded scope of looking at properties the County owns, both proffered sites and those within the Development Areas. He said they had slowed down the study as they were in response mode to COVID-19. He said they have had discussions with the project team as recently as that week where they talked about pausing that study to give them time, as they move from response to transition, to learn the lessons on being able to work remotely. He said he wants to make sure this is all factored into this overall assessment.

Mr. Henry said the only real impact is that the delivery of the study will be extended out, but that he believes it will be appropriately extended and give them the time to gather the analytics with departments and leadership that will happen over the next month.

Mr. Gallaway said Ms. Palmer brought up the fact that the strategic reserve is there, and that he is beginning to think more about the Board's Strategic Priority Reserve as an addition to the Stabilization Fund. He said his questions and comments did not need immediate follow-up and that they could be discussed at the meeting the following week.

Ms. McKeel said she appreciated Mr. Gallaway bringing up the facilities study. She said it was good to hear that while it may be paused, it was still moving forward. She said she believes they need to be able to have a good discussion when the report comes forward about all the properties the County owns in the Development Area and how they may be best used. She said this use could greatly change based on what they are seeing as a "new normal."

Ms. McKeel said she wanted to make sure that, going forward, and related to Ms. Palmer's concern about broadband, they hear from staff and the School Division about where the gaps are in connectivity. She said they are seeing a "new normal" with the ability to work from home, but they know that not only do the employees, but the educators and students, have gaps in their connectivity. She said at some point, she would be asking about where those gaps are and perhaps have a discussion with the School Division. She acknowledged that staff and the School Division were working on this, and that it would be critical moving forward that they must have people connected for safety, work, and educational purposes.

Ms. McKeel noted that there was a great work session around transit funding, and that they know that CAT has the ability to pull down some significant dollars from the CARES Act. She said it seemed to her that CAT funding has, at this point, remains at what Mr. Richardson had recommended in the previous budget, as she had not seen or heard of any changes. She said they would want to have a discussion around that and determine how the CARES Act in 2020 might change the County's funding for CAT.

Ms. Allshouse thanked everyone for their thoughts, ideas, and involvement in the budget. She said they have provided a revised recommended FY 21 budget to the Board, and that it was also

available online on the County's website for the public to view. She said it is about 80 pages, and the original document was 300 pages, so it was a slimmed-down version of the usual budget document.

Ms. Allshouse said the document includes the budget message; the Board's financial policies, and how important it is to adhere to those policies; budget summary; General Fund revenues and details on assumptions; General Fund expenditures and details about use of fund balance and transfer to the schools; and a capital budget and debt service funds chapter, which provides updates on the capital budget, including what they are recommending to delay and which projects recommended to move forward.

Ms. Allshouse said she wrote down many comments and questions for the upcoming work session. She encouraged the Supervisors to inform staff right away of any other questions or ideas they may have as they review the document.

Ms. Allshouse presented a chart of the schedule, moving forward. She said the scheduled had to be modified dramatically. She recalled the Board had approved the tax rates on April 15, and that they were now seeing a first look at the recommended budget. She said on April 29, the Board would have its first work session, followed by a public hearing on May 6. She said they are working very closely with Schools on scheduling and planning, and that Schools have a survey out about their budget and will have their public hearing on May 7.

Ms. Allshouse said the May 11 meeting is a holding place for another work session, if needed. She said staff would request the Board to approve the budget on May 14. She said Schools will also be approving their budget on the same day. She said on June 3, the Board would adopt its resolution of appropriations of funding that will begin on July 1.

Ms. Allshouse presented a recommendation for the April 29 work session. She said the Board will have had a chance to read the budget document. She said staff acknowledges this is the Board's work session and opportunity to discuss, and so staff will provide some leading slides for the Board and enough time for dialogue.

Ms. Allshouse said on April 29, they would start with a general overview and speak to some highlights from the revenue chapter. She said they would go into the General Government budget and give the Board a chance to talk about any recommendations. She said they will discuss Fire Rescue system-wide services, and that there will be much more information available to the Board about this. She said the Fire Rescue department will attend to speak to the system in more detail.

Ms. Allshouse said there would then be a break, if needed, and then School Division staff will share their current status in the budget process. She said finally, they would speak to the Capital Budget, share the programs recommended to be paused and those recommended to continue. She said they will leave time for the Board to think about any of the projects that are currently funded, as capital programs span over multiple years.

Mr. Richardson thanked staff that were intricately involved in the development of the presentation. He said the County is blessed with great people and an experienced team. He said the team has past experience with other problems that were faced with the economy, and that it shows with the caliber of work.

Ms. Price said she had three comments and one question, and that the question did not need to be answered immediately. She said she was so pleased to see that the proposal maintains the funding and partnership with local nonprofits and agencies that provide such critical services in the County, and especially now, with so many other sources of revenue drying up.

Ms. Price said she trusted that County residents understand that this strategic reserve is effectively the government's "rainy day fund," and if they do not have that, they do not have the capacity to adjust and be flexible in situations such as what they are currently dealing with. She said she was appreciative of her predecessors on the Board of Supervisors and the County staff over the past few years in ensuring that they had not only adequate, but responsive strategic reserve and that the budget being proposed maintains the capacity to have that flexibility.

Ms. Price said she also thought it was important, however, for residents to understand that when they look at reductions in the Capital Improvement Plan, they are effectively holding off on the infrastructure stability and improvement. She said they can do that for the short-term, but not for the long-term. She said if an entity does not maintain and build for the future, it will not survive. She stressed that they cannot just hold off forever and that they will have to come back and reinvest in the CIP.

Ms. Price asked about the bottom paragraph on page 37 of the budget booklet, which refers to an assumed decline of 1% in the second half of the FY 21 budget, based upon changing property values. She said she was not a financial expert and that she would defer to Ms. Allshouse for this information. She said she sees more reports of this pandemic lasting for a longer period of time, with a rebound later that year, and concerns that if they reopen too soon, the second wave may be worse than the first. She said if the recession becomes a depression, reduced property values will equate to reduced revenues.

Ms. Price said she knew that Ms. Allshouse and her staff would be looking not only for finishing FY 20 and working its way through FY 21, but the reality of potential reduced revenues in the outyears, as that would affect capabilities. She said this is a serious area of concern for her, and although they could

not even get past the current quarter with the uncertainty, this was something they would have to be planning towards.

Ms. Mallek said she had never heard of a 3-6-6 plan before this season, and it was such a pleasant surprise and better approach. She said by contrast, in 2008, the County panicked and took \$100 million out of capital at once. She said this much more careful, step-by-step deliberate way of looking at things would save them in the end. She said the confidence in citizens will be so much greater knowing that they are working continuously through changes and being thoughtful. She said when things start to turn around, it will be a smoother transition out that took years to accomplish after 2008. She said the County went down 77 people and it took a very long time for the capacity to come back up, which happened years after the demand.

Ms. Palmer said she would leave the meeting to attend the Broadband Authority meeting.

Ms. LaPisto-Kirtley thanked staff for their flexibility, creativity, and intelligence in being able to pull together the recommended budget in such a limited amount of time.

Agenda Item No. 3. From the Board: Matters Not Listed on the Agenda
Item No. 3.a. Rent Waiver for the School of the Arts and Crozet Art Depot

Mr. Gallaway said Ms. Mallek had requested to discuss the rent issue with Crozet Arts Depot.

Ms. Mallek said earlier that day, she spoke with Mr. Kamptner to ask him about the advertisement for the May 6 public hearing on the leases. She said she would ask Board members if they had questions so they can be more prepared for the meeting. She said it would be helpful to staff to know if there were any items which the Board did have consensus for that day. She referred to a text she sent the Supervisors that day with her questions.

Ms. Mallek said the first question is, "Is there a consensus for any, or all, tenants to be granted a waiver as opposed to pick some or to those with the original offering?"

Ms. Mallek said the second question is, "Is the Board interested in waiving, or deferring, these rent payments (if the answer to question 1 is "yes") for long-term tenants?"

Ms. Mallek said the third question is, "What time period are we talking about to do this, if we say yes to question 1?" She said one suggestion was to describe it as, "As long as the business is enforced closure by local, state, or federal mandate," as opposed to selecting a date.

Ms. Price said she had had concerns about the proposal when it came up a couple weeks earlier. She said it was appropriate for the Board to differentiate between nonprofit and for-profit tenants in County-owned spaces. She pointed out that she has either been the recipient of or has exchanged over 50 emails relating to the Crozet Arts Depot, and there was clear that there is widespread community support for it. She acknowledged that the \$15,000 per month for the five entities was not going to make or break our [inaudible] under any circumstance, either currently or pre-COVID-19, but that these were important questions that needed to be asked.

Ms. Price said in the interim, since this first came up, she has been able to receive a lot of information that has demonstrated the commitment and investment (not all financially, but effort as well), particularly with the Crozet Arts Depot. She said she was more inclined to support a waiver of the rents for the three nonprofits, but not necessarily for the two for-profit enterprises. She said these are important contributors to the welfare and quality of life of residents, and she appreciates all the efforts everyone has made who have helped provide her with the background she needed to be more comfortable with this.

Ms. Price said as she recalled, initially they were requesting a two-month waiver, and then with the authority of the County Executive to make decisions moving forward. She said she was comfortable with this.

Ms. Mallek said she would make a correction. She said she originally misspoke, and that the Artisan Depot is not a nonprofit, but has a regular business license with no employees. She said they have five artisans who partner together to share the financial burden, and that their bills are paid by the commissions and sales. She said she had thought they were a nonprofit until recently. She said there were comments in the emails the Board received from those at the Artisan Depot.

Ms. LaPisto-Kirtley said she is a supporter of the arts and that in these financial times, she would support providing a waiver to the arts school until such a time that the State says there is no mandated closing of the businesses.

Mr. Gallaway said he was prepared to vote on the item that came before the Board before and was happy for that item to come back to them again. He said they could hash out in the discussion period if there were any nuances that needed to change as part of that, but that he walked into that meeting prepared to take action on that item on April 1. He said he was happy for the additional information received, but he was still prepared for that item to come back to the Board, if needed.

Ms. McKeel agreed with Mr. Gallaway. She said this came up rather quickly for that evening's discussion, and one thing she didn't well understand was advertising the leases for a couple of the

organizations. She said she has not seen the leases and didn't know how long they would be for. She said she didn't think they were actually going to make a decision that evening, and for her, she needs to understand how the leases affect at least a couple of the entities. She expressed confusion over what they were doing.

Ms. Mallek said she did not expect a vote that day, either. She said she was simply trying to respond to staff and their interest in any information that the Board could share about what other questions they have and their inclinations. She said the leases could not change until the May 6 public hearing anyway, and that staff will work on drafts to share with the Board before that meeting.

Mr. Gallaway said staff was looking to see if there was consensus for it to come back.

Ms. McKeel said she was happy to have it come back.

Mr. Gallaway said it seemed that the differences in whether it is a handful, or all, entities could be hashed out when it comes back to the Board for discussion at that time. He said it will also give them a chance to ask all their questions. He asked Mr. Richardson if it was clear to him what they were asking for.

Mr. Richardson replied yes. He said Mr. Kamptner has also been paying close attention to this matter, and that he would work with him to make sure they were prepared for May 6.

Mr. Kamptner said they had met that afternoon to discuss the decision on whether to waive, and that as the Director of Emergency Management, Mr. Richardson has the authority. He said another way to come back would be to check in with the Board. He said this can be done through either a public hearing process, or by getting direction from the Board and authorizing Mr. Richardson.

Mr. Kamptner said at least a couple of the leases will come back to the Board in June to renew them, if this is the Board's inclination, as they are due to expire at that time.

Mr. Gallaway said he appreciated this distinction, as it had originally come to the Board as an action item for a waiver on the consent agenda. He said this would seem to be the way it should come back to the Board again.

Ms. Mallek said she would like to pass along a concern. She said for one of the leases, the notification that someone would not want to renew had to be provided by June 1, and that their situation was that they did not know whether or not their business would be open on June 1, which is why they were hoping to work this out earlier. She said she was sure there has been correspondence between Mr. Michael Freitas and the tenants regularly, and that they were working on these issues.

Ms. Mallek said she would be happy for a combination of the administrative decision followed up by the regular lease process, if this is what the Board would like to do.

Mr. Gallaway said this item would come back. He said there would be a check-in next week, which would provide a chance for further clarification as needed.

Mr. Kamptner asked if the desire was to have these items come back as public hearings, or on the consent agenda, to give some support or direction to the County Executive as the Director of Emergency Management.

Mr. Gallaway said his opinion was that it would come back to the Board the way it did originally.

Ms. McKeel said it has become muddy because of all the processes.

Mr. Kamptner said part of this was determining how to proceed in the midst of the crisis.

Ms. McKeel said she was pleased to see that in the meantime, through the Economic Development Authority, there are now loans for micro local businesses.

Mr. Gallaway asked if there were other matters to discuss.

Ms. McKeel said that day, she attended the Regional Housing Partnership Executive Committee meeting as a Board designee. She said she found the discussion around real estate interesting. She said there were compliments about how the Board has continued to do its work, and that the County is moving business forward.

Ms. McKeel said another interesting discussion was about how busy the real estate agents are. She said the committee indicated that houses are selling. She said she found it fascinating that there was a concern from at least one staff member that in her neighborhood, she was seeing, that because of low interest rates, people were buying up the County's affordable housing to be used for rental. She said this was seen back in 2008-2010, and that she was again concerned about losing affordable housing in urban ring neighborhoods.

Mr. Gallaway reinforced that this was happening, and the particular comment about the neighborhood was about this moving up the prices because the market has shifted as a push on that. He said there would be other conversations as they go to see what happens with local development and by

right versus going for bonuses or getting things online as fast as possible.

Mr. Gallaway said with regard to the kudos given to the County, he gives credit to the Incident Management Team. He said other decisions that have been made, such as on assistance programs that help the homeless population, and that the County has stepped up to help with those.

Ms. McKeel added that one of the concerns around the affordable housing piece in that particular neighborhood was that in the past, people buy and rent out the houses, and they either create an unaffordable neighborhood, or they do not take care of the houses. She said the complaints she receives most often in her non-HOA-protected urban ring neighborhoods that provide affordable housing is that people are renting them out and not maintaining them, which drives down the property values. She urged the Board to get back to the discussion about this.

Ms. Mallek added that perhaps strengthening the maintenance code would be a way to make people understand that this is not a cut-and-run investment they are about to make. She said to the maximum of the authority the Board has, they should be working on this.

Ms. Price said that she has heard comments from the residents about the County continuing to provide services, and that the 3-6-6 program is being seen as a positive.

Ms. McKeel made a final note about her comments about affordable housing, noting that she was not talking about people who rent out their homes and maintain them well. She said she was talking about people renting out homes and between the renters and rentees, there is no agreement about who will maintain it and how. She said this is the number one complaint she receives from older neighborhoods.

Mr. Gallaway said he believed this was understood. He gave the example of a house being quickly at one value, and then renovated up so that the rent value can be higher, which brings the whole neighborhood value up in an area that should be an affordable area. He said this doesn't include the other issues about Airbnb that the Board needs to tackle.

Ms. McKeel said Ms. Mallek was right when she talked about this getting back to the blight and maintenance. She said this will be a harder discussion.

Agenda Item No. 4. From the County Executive: Report on Matters Not Listed on the Agenda.

There was none.

Agenda Item No. 4. Adjourn.

At 5:24 p.m., the Board adjourned their meeting to April 29, 2020 at 10:00 a.m. via an electronic meeting using Zoom and a telephonic connection pursuant to Ordinance No. 20-A(6), "An Ordinance to Ensure the Continuity of Government During the COVID-19 Disaster."

Chair

Approved by Board
Date 08/04/2021
Initials CKB