

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on January 28, 2021, at 4:01 p.m. This meeting was held by electronic communication means using Zoom and a telephonic connection due to the COVID-19 state of emergency. The meeting was adjourned from January 20, 2021.

SUPERVISORS 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.

SUPERVISORS ABSENT: None.

SCHOOL BOARD MEMBERS PRESENT: Mr. Graham Paige, Ms. Kate Acuff, Mr. Jono Alcaro, Ms. Katrina Callsen, Ms. Judy Le, Mr. Jim Oberg, and Ms. Ellen Osborne.

SCHOOL BOARD MEMBERS ABSENT: None.

COUNTY 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.

SCHOOL STAFF PRESENT: School District Superintendent, Dr. Matt Haas; Deputy Superintendent, Ms. Debbie Collins; Assistant Superintendent, Mr. Bernard Hairston; School Board Legal Counsel, Mr. Ross Holden; Budget Analyst, Ms. Maya Kumazawa; Chief of Strategic Planning, Mr. Patrick McLaughlin; Finance Officer, Mr. Jackson Zimmerman; and School Board Clerk, Ms. Jennifer Johnston.

Agenda Item No. 1. Call to Order. The meeting was called to order at 4:01 p.m., by the Chair, Mr. Gallaway.

Mr. Gallaway called the January 28, 2021 meeting of the Albemarle County Board of Supervisors to order at 4:01 p.m.

Mr. Graham Paige, Albemarle County School Board Chairman, called the meeting of the School Board to order.

Mr. Gallaway said the meeting was being held pursuant to and in compliance with Ordinance No. 20-A(16), "An Ordinance to Ensure the Continuity of Government During the COVID-19 Disaster."

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Agenda Item No. 2. Introductions.

Mr. Gallaway announced the Supervisors and county staff in attendance.

Mr. Paige announced the School Board members and school staff in attendance, noting that Mr. David Oberg was not present. Mr. Oberg joined the meeting later, however.

Mr. Gallaway said the opportunities for the public to access the public meeting were posted on the Albemarle County website, on the Board of Supervisors homepage and on the Albemarle County calendar.

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Agenda Item No. 3. Meeting Overview.

Mr. Gallaway welcomed the two boards to the meeting, with its purpose being to kick off things that would be rolling right into the impending budget season. He said the Board of Supervisors always enjoys having the opportunity to meet jointly with the School Board. He asked Mr. Paige if he had any opening remarks to make.

Mr. Paige said the School Board was pleased to be with the Supervisors as they start the budget season. He said they welcome the opportunity and knew that the session would be a good beginning for the upcoming budget season.

Mr. Gallaway said he would hand the meeting to Mr. Jeff Richardson, County Executive, and Dr. Matt Haas, Superintendent, to afford them the opportunity to give the overview and some introductions.

Mr. Richardson said it was an honor and pleasure for him to be there that afternoon. He said he was proud of the County's Public Schools System, which is an integral part of the community and for the high quality of life they appreciate and value each day. He said he is also proud of local government staff and the services they provide to citizens.

Mr. Richardson said Dr. Haas would make a few comments, and they would then hand the meeting off to Mr. Andy Bowman from the Department of Finance and Budget. He said Mr. Bowman would provide information to everyone regarding the FY 22 financial outlook.

Mr. Richardson noted that the Finance and Budget teams for both schools and local government have been working extremely hard over the last several months to prepare for the budget process. He said both local government and schools appropriately hit the brakes hard when they realized the severity

of the pandemic in March 2020. He said in doing so, this created some financial cushion that they will need as they move forward toward the FY 22 budget.

Mr. Richardson said they continue to make sure their financial condition remains in good shape, as both boards would expect. He said as they move through the “3-6-6” model, they continue to move to the end of their first year in this emergency state and pandemic to make sure the economy is stabilized.

Mr. Richardson said they continue to read all the various factors they are getting each day. He said the Supervisors heard from Mr. Peter Lynch on real estate assessment, and they continue to pull this picture together of what revenues will look like when they get into the next year. He said Mr. Bowman and his team, along with Dr. Haas and the Finance staff in schools, are working judiciously to make sure that as they move forward, they maintain their financial position, and that they have as good as a footing they can have on their economic stability.

Mr. Richardson said he is keeping a close eye on workforce stabilization, as is Dr. Haas. He said as they move into the FY 22 process, they must first recognize what an absolutely unbelievable group of people they have working for them. He said staff have done amazing things over the last year, during very trying times. He said they will be prudent, but at the same time, they will place tremendous value on the people who work there and do everything they can in the upcoming budget to pay appropriate attention to workforce stabilization.

Mr. Richardson said he would turn things over to Dr. Haas, and that after his comments, they would be turning it over to Mr. Bowman. He said they would move through the presentation that afternoon and leave about an hour for board comments. He said as Mr. Bowman takes over in the next few minutes, they will want the board members to interrupt if they have questions, as they will want to be sure they understand the information.

Dr. Haas said he shared Mr. Richardson’s gratitude he has for the local schools with his assessment of local government. He said they live in a fantastic locality in Virginia, and while they are blessed with resources and a terrific community, many reasons why they have the quality of life that they do is because of the good decision making of the Board of Supervisors over the years, being good stewards, and valuing the place where they are. He added that there is top-notch local government staff that he and his own staff enjoy working with.

Dr. Haas said he was grateful for the opportunity to be present with the Albemarle County School Board, Board of Supervisors, and staff to have a conversation about what he thinks they might all consider to be a very high priority, compensation for their employees.

Dr. Haas said it is an understatement to say that this calendar year and school year have been a hard time for the local, state, and national communities in every way imaginable. He said on the schools’ side of things around the world, nationally, in Virginia and in Albemarle, much of what they thought of as normal was turned upside down in March of 2020.

Dr. Haas said that since then, their employees, meaning teachers, nurses, teaching assistants, building services staff, principals, bus drivers and aides, childhood nutrition staff, and leadership team, have come together and treated every day as an opportunity to learn and improve both virus mitigation and safety, providing for student and family needs in terms of meals and essentials and, amazingly, high-quality teaching and learning, whether it is provided online or out of the school.

Dr. Haas said that as Mr. Richardson mentioned, their employees have come through for them during a year that was hard for them personally and for the organization as a whole. He said at the outset of the pandemic, they had to scrap their funding request for FY 21 due to the economic uncertainty and the redefined revenue picture. He said the thing that really hurt was the fact that they shelved their compensation increases for educators and for support staff alike when they needed them most to step up. He said all were affected in terms of receiving no compensation increases in the funding request. He said they missed out on an opportunity last year to move all of their employees who make less than \$15 an hour up to \$15 per hour.

Dr. Haas said it is a new year. He said although some of the events they have witnessed since January 1 might make it seem like they are still experiencing 2020, they are actually now in 2021. He said due to the smart moves of local government and Schools Finance staff, they are in a better position than he thought they might have been.

Dr. Haas said that in their recent conversations, Mr. Richardson mentioned the term “workforce stability,” which really captures what they are aiming for. He said he thinks it is what they are going to need to aim for in their planning for FY 22. He said as a school system, they need to make the best use of the resources available to both foster stability, such as recruiting, hiring, and retaining the amazing employees they have with them and will choose to have with them, and a sense of financial stability for individual employees and families.

Dr. Haas said to do this, he hopes they can get back up to the minimum pay rate and get it on schedule. He said they can find a way to put more compensation in the pocket of all their licensed and classified staff. He said while they always have a portfolio of investments across the facets of providing high-quality teaching and learning with safety and equity, he hopes they can and will prioritize compensation for their employees so they hear and know that they are valued for what they have done in the past as well as what he anticipates they will accomplish for students, families, and communities in the

future.

Dr. Haas noted that he received a text from Ms. Rosalynn Schmidt, Chief of Operations, at 10:13 a.m. that morning, which said, "We have shots in arms." He said she texted from the vaccine distribution center that is a joint City-County operation at the Martin Luther King, Jr. Center. He said he wanted to thank Ms. Schmidt, Clare Keiser, Eileen Gomez, school nurse, Tanisha Thompson, Lauren Price, Robin Bowling, Ashley Kimber, Leanne Knox, Lindsay Snoddy, Nicole Matthews, and the many staff volunteers, in addition to all the amazing local government staff, for resourcing the distribution center.

Dr. Haas said he wanted to send out a big thank-you to the Blue Ridge Health District, especially to Mr. Ryan McKay, who is a Senior Policy Analyst there and has taken on a heavy load for making this work happen for the employees. He thanked everyone for their time and said he looked forward to a good meeting.

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#### Agenda Item No. 4. Financial Outlook Framework – Local and State Funding.

Mr. Andy Bowman, Chief of Budget in the Department of Finance and Budget, said he would first reference the agenda. He said there would be a series of speakers from Finance and Budget, Human Resources, and Schools to walk through presentations. He said there would be time along the way for questions. He said in the last half of the meeting, they would make sure to leave adequate time for board discussion and feedback.

Mr. Bowman said he just had one slide to present, with the intent to provide a high-level overview of FY 22 local funding outlook, knowing that soon, as will be alluded to, the FY 22 budget process will be underway for both boards.

Mr. Bowman said the slide on the screen was a slide that CFO Ms. Nelsie Birch spoke to with the Board of Supervisors on January 20. He said they wanted to provide it again that day to help connect the thread of information that the Board of Supervisors heard on January 20 and share it with the School Board, so they are aware of this information as well. He said they also want to connect that thread in the future for the discussions that will be coming up in the FY 22 budget process.

Mr. Bowman said for context, there were two presentations that the Board of Supervisors received on January 20. He said the first presentation was from County Assessor Mr. Peter Lynch, who shared that the Calendar Year 21 reassessment of real estate was an increase of 1.4%. He said on one hand, this is encouraging news that the real estate market, in total, has not been impacted in the same way that it was during the Great Recession. He said on the other hand, they need to acknowledge that this will be their slowest growth in their assessment since the Great Recession, and this will be especially impactful with the revenue picture next year.

Mr. Bowman said as the boards may be aware, a little more than half of the County's operating revenues come from real estate taxes. He said those come into the General Fund and then, they are allocated out to local government and schools' operations as well as to capital and debt service expenses.

Mr. Bowman said the second presentation to the Supervisors on January 20 was from Mr. Steve Allshouse with the County's Community Development Department. He said Mr. Allshouse provided a lot of data about what they know on the impacts of the pandemic on the economy and community. He said he would not go through this information and data in detail, but the main takeaway he heard was that right now, things are very unpredictable and more unstable as usual, and that the impacts of the pandemic on the economy have been very inconsistent across businesses and individuals in the community.

Mr. Bowman said that with those two presentations in mind, they heard that the County's largest revenue source is growing, albeit slowly as compared with the past. He said another large source of revenue are the economically driven taxes such as meals tax or transient occupancy tax, and those are more volatile than they have been.

Mr. Bowman said as staff begins to look toward the FY 22 budget, it is reasonable to conclude that they will be in a transition year. He said they are seeing that County revenues are stabilizing, but they have not yet stabilized. He said as the pandemic continues, they are not through that, either.

Mr. Bowman said they do have an opportunity in FY 22 to strategically use one-time funding, which is funding that would be available above and beyond the County's financial policy requirements. He said Mr. Richardson alluded to how County local government and schools had hit the brakes at the start of the recession and embarked on an approach to manage the budget with the "3-6-6" model, referring to the last quarter of FY 20, taking a look as they finish the second quarter of FY 21, and then proceeding from there.

Mr. Bowman said there will be one-time money that is available and can be used to ensure the County's financial foundation, support the community that has been inconsistently impacted by the pandemic economy and the changes that have taken place, and stabilize the County's workforce. He said those were the three categories shown on the pyramid on the slide.

Mr. Bowman said staff is preparing a budget for the boards' considerations as they think about how one-time funding could be used. He said this will be an ongoing dialogue with both boards as they

work through the FY 22. He said on February 24, the County Executive will be presenting the recommended budget, and the Superintendent of the School Board will be working through that process as well.

Mr. Bowman said he would turn over the presentation to Ms. Maya Kumazawa with Schools Fiscal Services.

Ms. Kumazawa said she had one slide to share, which was mostly about state revenues, for which the process is a little ahead of the local revenue process. She said as a quick review, the pie chart shown at the top of the slide showed generally where the School Fund receives its revenues. She said about one-third of this comes from the state and the remainder from local sources, primarily the local government transfer.

Ms. Kumazawa said at the bottom of the slide, there was some information about what they know from the Governor's proposed biennial budget, which includes FY 21 the current year and FY 22 the next year. She said there were a few things listed under FY 21 that add up to approximately \$5 million that they are anticipated to receive in the current year above what they have adopted. She said this would fall under one-time funding, as Mr. Bowman described.

Ms. Kumazawa said for next year, they see many of the same lines carrying over. She said they do anticipate increases over the current budget as a result of no-loss enrollment funding, better-than-expected sales tax revenues, and lottery revenues as well. She said in addition, for next year, the Governor's proposed budget includes a 2% one-time bonus for SOQ-funded (standards of quality) positions, which is likely to turn into a raise, pending more information about revenue forecasts.

Ms. Kumazawa said in total, for next year, they are anticipating about \$5 million above what they budgeted for the current year when it comes to state revenues.

Ms. Kumazawa said at that point, she and Mr. Bowman would answer any questions about those revenues before turning the presentation over to Ms. Gerome in Human Resources.

Mr. Gallaway said for questions, there was a preset speaking order for Supervisors, and he would attach each School Board member to that order.

Ms. McKeel said she had a question, noting that the Supervisors often receive questions from the community around the lottery. She said over the 20 years, they have received the lottery funds but also not received them. She asked if she could get a summary of where they are on lottery revenues lately. She asked if they were getting all of them, adding that she would like to be able to answer questions from the community.

Ms. Kumazawa asked Ms. McKeel if she could clarify what she meant when she asked about getting all of them.

Ms. McKeel said she could see they were getting revenues from the lottery. She said in the past, at one point, the General Assembly reduced the schools were getting from the lottery and restricted how they could use the lottery funds. She asked if Ms. Kumazawa could give her a quick synopsis on this, adding that she would be glad to receive an email about it as well.

Ms. Kumazawa said the quick answer was that she did not know the history, but most lottery funds are unrestricted, meaning they do not necessarily have to match them or adhere to specific policies. She said they are generally unrestricted funds, and they have not changed significantly in the last couple of years. She said she could not speak to the history, and so she would follow up with Ms. McKeel on that separately.

Ms. McKeel said Ms. Kumazawa probably answered her question. She said in the past, they could only use the lottery funds for certain things. She said it was good to know that they were unrestricted at this point.

Ms. Mallek said she had been on state legislative calls all day that day. She asked how much local funding would be needed to match the 2% bonus in order to carry out the raise when they get to that point. She said this was always a knowledge gap of hers and asked staff if they could put this on their to-do list to respond back to the boards.

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Agenda Item No. 5. Introduction to Compensation Considerations Health Insurance Projections Update.

Ms. Lorna Gerome, Director of Human Resources, thanked the boards for the opportunity to bring forward information about compensation. She said while it is not the only factor, compensation is a critical factor in the County's ability to attract and retain a highly qualified and diverse workforce. She said she appreciates that the board members all recognize the talented staff they have. She said this year in particular, employees have shown resiliency, adaptability, and dedication. She said she knew both Mr. Richardson and Dr. Haas spoke to it, but they are so fortunate to have the talented public servants and educators they do.

Ms. Gerome said in the fall, as they do every fall, staff shared the results of the summer market

survey on compensation. She said this year, the compensation landscape has continued to evolve, with some organizations instituting midyear changes. She said they have updated the market salary information, and Ms. Dana Robb, Program Manager for Compensation and Rewards, will share that information with the boards.

Ms. Gerome said they are not providing specific compensation recommendations for FY 22. She said rather, they are offering considerations around priority and areas of focus for compensation, sharing organizational goals of both local government and schools for the boards' feedback.

Ms. Gerome said Ms. Robb would cover four areas related to compensation. She said the first is classified staff, which encompasses all the employees that are not on the step scale. She clarified that classified staff members include technology, finance, office associates, planners, social workers, bus drivers, and department heads.

Ms. Gerome said Ms. Robb would also share some information about minimum pay rate. She said last year, Dr. Haas spoke about how they are carefully watching UVA because in January of 2020, UVA did implement a \$15 minimum pay rate. She said many other organizations have followed suit, and Ms. Robb would share information on this as well.

Ms. Gerome said they also wanted to take the time to share information on the Public Safety step scale. She said they were excited to implement this scale back in 2019, and one of the main drivers was that it would help them to avoid compression. She said compression is when a newly hired employee is making the same as an employee with more experience.

Ms. Gerome said one of the challenges with the step scale is that in years where there is no increase, to keep avoiding compression, they must lower the minimum. She said this is what they did, and Ms. Robb would be sharing some data around the consequences of no increase to the Public Safety pay scale.

Ms. Gerome said the teacher scale is another step scale that works similarly in that the minimum starting pay had to be lowered. She said the data Ms. Robb would be sharing points to the need to put some compensation resources into both the teacher and Public Safety scales.

Ms. Gerome said she would turn the presentation over to Ms. Robb, who would be walking through a number of slides with a great deal of background information.

Ms. Robb said as Ms. Gerome indicated, she would be sharing four different areas. She said the first area is the classified adopted market increases. She said they followed the normal process of serving the adopted market. She said they went out in the summer, as they normally do, and surveyed the adopted market, which consists of 27 city and county governments and 26 school divisions. She said they saw that the majority of organizations, at that time, gave no salary increase, and Albemarle at that time gave no increase.

Ms. Robb said they decided to go back out in the winter of 2020 to see if anything had changed, and they did find that 14 in the adopted market gave increases later in the fiscal year, while others were continuing to consider it. She said those had not committed at that time, but they were considering doing something for their staff.

Ms. Robb said she would transition to talking about the minimum pay rate. She said in early 2020, they were poised to move forward with increasing the minimum pay rate, which was placed on hold due to the pandemic. She said they are still seeing trends of some local employers moving toward, or already have, as has the City of Charlottesville, UVA, and Sentara Martha Jefferson, \$15 per hour.

Ms. Robb added that the Virginia minimum wage is going to be increasing in stages to reach \$15 per hour by the year 2026. She said the first stage begins on May 1, 2021, which is when the Virginia minimum wage will increase to \$9.50 per hour. She said in January of 2022, it will increase to \$11 per hour. She said in 2023, it will be \$12 per hour, and in 2025, it will be \$13.50, to end up at \$15 in 2026.

Ms. Robb said the slide on the screen showed some information staff gathered from local market data in the community. She said this was not an official market comparison, but staff felt it was important to take a look at what employers are paying in Albemarle and in the City of Charlottesville. She said Sentara Martha Jefferson and UVA are already at \$15 per hour, but there are some other employers that, while perhaps not as large as those entities, are also at \$15 per hour. She said it appears there are quite a few that are moving in that direction. She said currently, Albemarle County's minimum hourly pay rate is \$10.20 per hour.

Ms. Robb said on the next slide, she would go into more detail about the adjacent localities that surround Albemarle County. She said staff wanted to take a look at this to see how they compare to the localities that are right next to the County. She said the pay rates do vary, but again, the City of Charlottesville is leading, with \$15 per hour for both the school division and the City itself. She said the County is slightly below the market median for schools, and almost \$2 below on the local government side.

Ms. Robb said she would transition to talking about the Public Safety pay scale and why it is so important for these employees. She said she would highlight a few things that make these positions different from classified staff and why a separate pay scale was implemented. She said these positions

are extremely important, as they are critical to the citizens and community. She said these positions are essential and sworn personnel that have higher risks associated with the positions and the type of work that they do. She said the training time and cost is significant for these positions. She said for an employee in these departments to be released, it can take up to one year. She said retention and recruitment is extremely important.

Ms. Robb said these positions are on a step scale, and as Ms. Gerome alluded to earlier, if they freeze salaries on a step scale, they actually have to create an entry step that is lower than what they pay now because if they do not, they will cause compression issues. She said they want to be in a market-competitive situation so that they can recruit a highly qualified and diverse workforce.

Ms. Robb said they reviewed the market for these positions that reside on the scale and found that the County is 3% below the market. She said they see that with their entry positions, such as Firefighter, EMT, and Police Officer, they are actually lagging behind the market right now. She said that for example, they are about \$3,000 low from their market target on Police Officer. She said the current salary is \$40,781 for Step 0 as a Police Officer. She said the market shows around \$43,000.

Ms. Robb said staff believes this is having an impact, as they are seeing applicant pools that are half the size that they normally are. She said the withdrawal rate for those who have expressed interest in the position of Police Officer is about three times the normal rate. She said current events, of course, are certain to play a part in this, but maintaining a competitive salary is one area that the County can influence.

Ms. Robb said she would transition to talking about teacher compensation. She said the slide on the screen showed how the County compares to its adopted market and a subset of the adopted market. She said it also includes the adjacent localities she referenced earlier. She said while the County is in the top 25th percentile, it is by a slim margin. She said on the next slide, she would show more detail for the adjacent localities and how the County compares to those at the different steps.

Ms. Robb said the slide on the screen showed how the County compares to its adjacent localities, specifically to the City of Charlottesville. She said they want to be in a market-competitive situation so that they can recruit a highly qualified and diverse workforce of teachers. She said the City of Charlottesville is above the County at each of the steps and is their most significant competitor for teachers.

Ms. Robb said she would wrap up with a quick summary reiterating the key points of the information she just shared and would then take any questions. She said for classified staff, the data indicates that 14 in the adopted market gave increases later in the year, while others are considering moving in that direction. She said the data shows market trends of movements toward \$15 per hour, and that some of the key players in their own community are UVA, Sentara Martha Jefferson, and the City of Charlottesville. She said for Public Safety, the County risks falling further behind in impacting recruitment and hiring at entry positions if they do not increase the Public Safety pay scale. She said for teachers, they risk falling behind if they do not adjust the teacher scale for next year, given the data.

Ms. Robb offered to take questions and provide additional information.

Mr. Paige asked Ms. Robb how long Louisa County has been ahead of Albemarle at the end of the scale.

Ms. Robb replied that she was not sure, but she would find out and let Mr. Paige know.

Ms. Palmer said she had two questions. She asked, regarding the data shown in the chart on the minimum wage and \$15 per hour, which called out different businesses such as Bodo's, if staff looked at a comparison of health insurance and days off. She said she assumed the County was similar to the City and probably UVA on that.

Ms. Robb replied that staff did not collect that data for these particular employers. She said they are not part of the adopted market set and do not have to release that information, but staff could try to get that information if it was something Ms. Palmer would like to see.

Ms. Palmer said she was noting that they probably do not have the amount of extras that the County has. She asked how many employers are actually in the adopted market, as shown on the first slide, with the 14 that are considering raises.

Ms. Robb replied that there are 27 localities and 26 school divisions.

Ms. Acuff asked Ms. Robb if she could show the schools comparison slide again.

Ms. Robb asked Ms. Acuff if she was referring to the teachers slide, or the classified market data slide.

Ms. Acuff replied she meant the teachers slide.

Ms. Robb showed the slide on the screen.

Ms. Acuff said she continues to be concerned that they consistently lag behind Charlottesville, which she believes is their best comparison in this market basket. She said the County does not even

look that good compared to Louisa, at the beginning and at the end. She said once again, she is questioning their market basket comparisons, but she supposed it was a comment rather than a question.

Ms. Acuff said continuing to compare themselves with any school divisions, knowing that Virginia itself is in the bottom half of compensation for teachers, is a challenging thing. She said they may need to rethink how they think about teacher compensation.

Ms. McKeel said this was a lot of information to look at quickly on a slide. She said she would love to have the presentation.

Ms. Robb said she would send it to Ms. McKeel.

Ms. McKeel agreed with Ms. Acuff. She said they have had many conversations over the years about whether or not the teachers are in the right market with World at Work, as well as when comparing them locally. She said she knows that World at Work has different, regional markets that they look at. She asked if Albemarle is in the Southern region.

Ms. Robb replied that she believed it was the Southeast region. She asked Ms. Gerome if she could confirm.

Ms. Gerome replied that they are actually in the Eastern region.

Ms. McKeel said there has been some discussion over the years of moving into the Northeastern market, or one that is more similar to Albemarle.

Ms. Gerome said one thing they did several years ago was they looked at the teachers' market and evaluated whether or not they should change the market. She said they looked at the niche market, which some of the School Board members may recall, as they were looking to compare the teachers scale against other divisions that were in the top ten of the niche market in Virginia. She said at that point, for a variety of reasons, the School Board decided not to make that change. She said they also looked at bringing in some other factors such as the cost of labor. She said they may recall that Gallagher Consultants helped them with this work. She said this is when they made the change to straighten that curve, adding that she knew Ms. Acuff remembered that.

Ms. Gerome said that some things have been done with the teachers scale over the years, but they need to continue looking at it.

Ms. McKeel said she would agree with Ms. Acuff that she thinks the slide showing the local markets was very concerning. She asked staff to clarify one more thing for her. She said they mentioned there are 14 in the adopted market that did actually add some additional pay midyear, or at some point along the way. She said there are 14, yet there are 26 and 25.

Ms. Robb replied that 14 out of the entire group of school divisions and local governments decided to move forward midyear with increases.

Ms. McKeel asked how many of the 14 were in the schools, and how many were on the government side, as she was curious about the breakdown.

Ms. Robb replied that she did not have the information in front of her, but she could get it for Ms. McKeel.

Ms. Price said as she looks at the pay scales, the vagaries are quite interesting. She said she appreciated the detail and information, recognizing the way they are falling behind in their total compensation offerings.

Ms. Le said she wanted to piggyback on what Ms. McKeel mentioned about how much information this is. She said she would love for the presentation to be posted publicly so that people watching at home could also see and process some of that.

Ms. Le said in the beginning, they were talking about how pay scale has to do with their ability to attract and retain a diverse workforce, and so she would also be curious to know how the County compares to these other school divisions in terms of diversity and workforce.

Ms. LaPisto-Kirtley said she had a couple of questions. She said she spent 34 years in education as a teacher, principal, and director. She said she is an extreme advocate in having the best school system they can have, and she definitely believes in the quality of staff and hiring the best and most dedicated.

Ms. LaPisto-Kirtley asked if the 27 localities and 26 school divisions were in the surrounding counties or area.

Ms. Robb replied that these include all the contiguous counties that surround Albemarle. She said it is a combination of both northern and some southern localities and school divisions. She said this was an adopted market that the joint boards agreed upon in the year 2000, and they worked together to determine what they felt should be the benchmarks for the adopted market. She said she could send the entire adopted market to Ms. LaPisto-Kirtley, adding that it was also on the County website.

Ms. LaPisto-Kirtley asked for the list to be sent to her. She said she did agree very much with Ms. Acuff that teacher compensation needs to be looked at. She asked if compensation is based solely on years of experience, or if there is additional training as an avenue to additional compensation while providing for the best practices.

Ms. Robb asked Ms. LaPisto-Kirtley if she was only referring to teachers.

Ms. LaPisto-Kirtley confirmed she meant teachers.

Ms. Robb replied that for teachers, there is a scale based on the teachers' years of experience, but they can also earn additional compensation if they have a master's degree, master's plus 30, or a PhD.

Ms. LaPisto-Kirtley asked about the teachers who are not necessarily going for a master's degree, but do take classes on best practices, implicit bias training, and things that would help them in the classroom as they move into the future.

Dr. Haas said this was a great question. He said they began doing a micro-credentialing program three years ago, and teachers can earn additional compensation through learning and putting into practice culturally responsive teaching practices, either for a micro-credential or for an additional certification. He said these are both homegrown programs that are recognized at the state and national levels for Albemarle County Schools.

Ms. LaPisto-Kirtley asked if this also includes IT.

Dr. Haas replied that they are currently working on a micro-credential for grading and assessment practices, and they will be expanding the micro-credential program. He said it is partially contingent on staff to do the training and work with the teachers because micro-credentialing is much more intensive and involves closer relationships between the trainer and trainees than just doing the "spray and pray" professional development that they often see. He said they are rolling out the program slowly, as they want to have high quality and be sure that the micro-credentialing they offer is in alignment with the boards' priorities. He said it is not just a matter of getting extra compensation for whatever one wants to take.

Ms. LaPisto-Kirtley said this makes her extremely happy because when she started, anyone could take anything and get credit for it, which has not been efficient in becoming an outstanding teacher and keeping up the new practices that have evolved. She said she is very interested in the micro-credentialing programs and getting a list of what they have. She acknowledged they had only been doing this for a few years but commended them on this.

Dr. Haas said he actually earned a micro-credential in culturally responsive teaching, and it is a great program. He said Dr. Hairston was present that afternoon if Ms. LaPisto-Kirtley wanted to connect with him, as he is the guru and father of these programs. He said he is proud of this work.

Ms. LaPisto-Kirtley asked if there were other micro-credentialing programs, or if this was the only one so far.

Dr. Haas replied that they have the culturally responsive teaching micro-credential, and they also developed one for social and emotional learning two years ago. He said currently, they are working on one for grading and assessment practices.

Ms. Callsen said she would echo Ms. Acuff's comments while also drawing attention to the market comparison they did for those employees who are getting minimum wage or close to it. She said she found it helpful to find out who those are in the school system, and she thinks it would be helpful for others to understand that those are teaching assistants, library assistants, people who are handling in-school suspensions, bus drivers, and people who are having a lot of contact with students, particularly vulnerable students.

Ms. Callsen said she thinks it is very important to keep them in the conversation because the schools want to be able to recruit and retain employees to build relationships with students. She said her son does breakout groups with his teaching assistant, and so she is somewhat concerned when she hears they are making less than what one would make at a gas station. She said she was not belittling the worker at the gas station, either, but she was saying that the schools want to be able to get the top recruits into those positions.

Mr. Alcaro said he and Ms. Acuff were talking during the legislative efficacy conference that Monday about expenses for raising teacher salaries over the whole state and for their division up to the median point nationwide. He said these numbers were rather large, and there may be some other ways to adjust for it. He said at some point, he would love to know how much it would cost the County to move the salaries up to the scale of Charlottesville. He asked if this would be a \$5 million or \$10 million cost. He said he would love to know the facts, at this could be something that gets eaten away at over a few years, or it could be something that is small enough to make a decision sooner than that. He said the chart that everyone has been talking about is a great one, and he would love to know how big the issue is.

Ms. Robb said she made a note of this.



Mr. Gallaway said his only request would be that on the same chart that showed the comparison to Louisa, Charlottesville, etc., at some point in the budget cycle, he would like to see the data for the past four or five years to see how the County trended in that position. He said moving forward, it may be valuable to determine if there was a point where the County moved further away each year. He said he was trying to remember back but could not recall what the gap had been in the past years, so he would like to see that at some point during the budget cycle this year.

Mr. Gallaway asked Ms. McKeel if she had a follow-up question.

Ms. McKeel said she knew they were talking about schools and that this was so much data. She said her question was about the Public Safety pay scale. She asked Ms. Robb if she could switch back to that chart. She said she was trying to remember exactly what Ms. Robb had said because she knew there was mention of being 3% below the market median for Police, and that Public Safety included Police, Fire Rescue, Sheriff, and ECC altogether. She said asked if the percentage across those groups could vary a great deal.

Ms. Robb replied that some of the positions are low while others are actually above market. She said it depends on the position they are looking at, but the base Police Officer is currently about \$3,000 low.

Ms. McKeel said she would like to see a more detailed breakdown before getting into budget discussions. She said it was hard to get into specifics, but she definitely wanted to know the numbers for Police, Fire Rescue, Sheriff, and ECC. She said they really needed this broken down further.

Ms. Palmer said she had assumed the boards would be getting information on Fire Rescue and asked if they were \$3,000 low on the Police Officer position because they had to lower the starting salary in order to deal with compression. She asked if this was the reason why they are currently 3% low.

Ms. Robb replied that this was not necessarily the case. She said they are low compared to what other localities they benchmark against are paying right now.

Ms. Palmer said she was somewhat surprised because when they did the pay scale for Public Safety, she thought they were fine or slightly above. She said she perhaps was not remembering this properly, so she would wait for the details.

Ms. McKeel noted that Ms. Acuff just typed in the chat the Governor Northam said on Monday, at the VSVA Capital Conference, that teachers' salaries in Virginia need to be increased by 20%, and there is a need to identify the funding source.

Ms. Price said to follow up on both Ms. Palmer's and Ms. McKeel's earlier comments, she, too, would like to see more detail on the law enforcement and Fire Rescue pay scales. She said she has a note from a constituent that the Police Recruit position is 8% below the market. She said they need to see the same sort of expansive detail for these categories of employees for the schools and teachers. She said she definitely wanted to see more detail on this.

Ms. Robb said staff would be happy to share this. She said they have 28 positions, and they simply would not all fit on the slide. She said they would be happy to share all the details.

Ms. LaPisto-Kirtley said it was a very important statement Ms. Acuff made regarding Governor Northam saying that Virginia is 20% below.

Ms. LaPisto-Kirtley said this would bring her to another point that perhaps Ms. Mallek, who is on VACo, could help with, which was whether or not everyone knows that in order to a substitute teacher in Virginia, one does not even have to have a college degree. She said some of the substitutes will be there for days or weeks, and to her, this should be stricken out and not allowed.

Ms. LaPisto-Kirtley said she had a question for Dr. Haas about teacher assistants. She asked if the schools have a working relationship with UVA or some of the other local universities whereby a teacher's assistant has to be enrolled in college or university in order to be a teacher's assistant. She asked if there are ways to provide compensation as a person moves from becoming a teacher's assistant to a teacher, as she believes this would be a good way of growing their own, so to speak.

Dr. Haas replied that the schools began piloting a program two years ago that was put on hold last year due to budget issues. He said the program is called Albemarle Teaching Partners and is a cooperative agreement that includes training and supervision so that teaching assistants may transition into becoming teachers. He said they have had several teaching assistants that became teachers because they went through the program. He said there were two who went through the program and became teachers, and one of them was actually a bus driver who became a teaching assistant and is now a teacher at Woodbrook Elementary.

Ms. LaPisto-Kirtley asked if UVA helps with tuition for those people becoming a teaching assistant and later becoming a teacher via a reduction or partial forgiveness of tuition.

Dr. Haas replied that he did not have all the details but could put Ms. LaPisto-Kirtley in touch with Dr. Kaiser (Assistant Superintendent for Organizational Development and Human Resources). He said it

is a cooperative agreement that alleviates the costs, but he did not know to what extent from UVA.

Ms. Gerome said they would switch gears and look at the health insurance fund. She said back in the fall, along with compensation, staff provided the boards with information about the health insurance program. She said they had shared what they were doing to manage the plan, specifically around some measures they had taken to ease the COVID-19 expenses for employees. She said they had also talked about some of their wellness initiatives.

Ms. Gerome said the focus of this presentation would be on the Healthcare Fund and management of that fund. She said she was delighted to have the opportunity to introduce the County's first Senior Healthcare Analyst, Ms. Laura Andrade, who comes with a wealth of experience and knowledge.

Ms. Andrade thanked the boards for allowing her to present that day about the Healthcare Fund and the recently implemented Healthcare Fund Management Plan.

Ms. Andrade said she would first orient the boards on what the health plan structure is, as a self-funded plan. She said being a self-funded plan means the income for that fund includes participating employee premiums and employer contributions. She said this is the main source of income for that fund. She said the fund pays for medical and dental plan claims, wellness initiatives, stop loss insurance, and administrative costs. She said the plan is currently administered through Anthem and pays for those administrative costs.

Ms. Andrade said in case the boards were not aware of stop loss insurance, also known as excess insurance, it is a product that provides protection against catastrophic or unpredictable losses. She said it is usually purchased by employers who have decided to self-fund their employee benefit plan, but do not want to assume 100% of the liability of losses that may arise throughout the course of the medical claim.

Ms. Andrade said the Healthcare Fund Management Plan was adopted in October of 2020 by the Health Fund Steering Committee, the County Executive, School Superintendent, County CFO, members from Finance and Budget, Human Resources, and school leadership. She said it was an extremely collaborative effort to establish her position, which reports to the CFO, to set the fund reserve balance to remain between 2-4 months of plan expenses and to truly equip the Steering Committee for data-driven fund management decisions.

Ms. Andrade said in the graphic on the slide, she tried to depict the fluidity of a healthcare fund management plan, since it is based on 2-4 months of plan expenses, which can change rapidly. She said in her role, she will keep a keen eye on that fund so that they are able to establish the 2-4 months and to be able to be nimble with any kind of decisions that need to be made.

Ms. Andrade said she is excited about the opportunity to enhance the collaboration between the Human Resources Benefits Team, Wellness Team, and Finance to use the fund in a way that they can now align the plan with wellness initiatives that they may not have had available previously, and to also pay attention to how the medical claims are being used, or the utilization rate. She said if there is a particular pattern or trend they find, they can address this early on, before it becomes any kind of progressive disease.

Ms. Andrade said for the boards' consideration, there are a couple of things that they want to keep in mind that are cost drivers and may increase expenses in the coming year. She said they are expecting an uptick in the medical and dental plan claims due to the effects of delayed medical care. She said this is called the "spring back effect," and either by choice, or because certain facilities have delayed elective medical care, interventions during the pandemic may cause medical issues that could worsen and could therefore cause a more expensive claim.

Ms. Andrade said they are also learning more about the long-term effects of COVID-19 and how this illness increases medical conditions over a period of time. She said these long-term effects will increase the County's medical expenses, but the extent to which this will be is unknown.

Ms. Andrade said she would go over a few recommendations. She said for FY 22, staff recommends the employer premium contribution to be increased up to 10% in the coming year. She said they are recommending that the employee portion of the premium to remain unchanged. She said this is consistent with over the past two years, during which employees have not experienced a premium increase, and so staff would like to maintain that through FY 22 as a great benefit to employees.

Ms. Andrade offered to answer questions and provide any clarifying information.

Ms. Acuff asked with respect to an uptick in claims related to COVID that they may look forward to if they have had any extraordinary COVID-related expenses that have triggered the stop loss policy, and if they anticipate the cost of this policy to increase.

Ms. Andrade replied that she would answer this in two different parts. She said there could be an extraordinary stop loss claim that has nothing to do with COVID, which she would share offline. She said secondly, they do not have an indication of what the long-term effects are because it is relatively new and something they are learning more about. She said their third-party consultant will be analyzing this for staff and will be providing more information. She said at this point, she would not be able to confirm that

they had a stop loss due to COVID.

Ms. Mallek said she was so glad for employees to see that premiums are expected to stay the same. She asked if this also includes co-pays and out-of-pocket maximums, or if these were separate categories that may change.

Ms. Andrade replied that those will be part of the open enrollment for the next year. She said healthcare runs on a calendar year versus a fiscal year. She said at this point, staff does not anticipate any changes for the current year, 2021. She said it is too early to anticipate if there will be changes in 2022.

Ms. Price asked if part of the perceived or anticipated stability of expenses tied to the federal government picking up most of the COVID expenses and therefore, if or when that comes to a stop, they simply do not know what the impact might be on the County for those potential COVID-related lingering health issues.

Ms. Andrade replied that the way she understands the County's health plan is that the lingering effects of COVID she is talking about are five, ten, and perhaps 20 years out. She said this would not be part of the immediate pandemic response. She said those developing exacerbated medical conditions are yet to be determined for most of the medical community. She said Anthem is the plan administrator, and they work with the government to work out what the federal dollars will pay for related to COVID.

Ms. Andrade said what she is keeping an eye on are the related, but not necessarily COVID-related, diseases. She said for example, if someone has experienced COVID and then, in six months to a year, they develop a potential heart condition or long-term condition, it is not necessarily directly tied to COVID, but is part of the trend of the long-hauler's syndrome they are learning about.

Ms. Price said she believed Ms. Andrade answered the question as best as possible, given the limited facts that they know at this point. She said they are satisfied in the sense that it is on Ms. Andrade's radar, and it is something they will continue to monitor.

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#### Agenda Item No. 6. Local Government and School Division Staffs' Work Force Stabilization Recommendations.

Ms. Gerome said they would again turn their attention back to compensation, and they want to have the opportunity for the board members to react to the information shared, understanding that there are some areas where staff will need to provide more information.

Ms. Gerome said she first wanted to step into the current fiscal year and share staff's proposal. She said as the boards know, the County's amazing staff did not receive a salary increase in this fiscal year. She said as Ms. Robb showed, the 14 other organizations, or 25% of the adopted market, did give increases. She said in addition, they have talked about the challenges and the employees' dedication in continuing to serve students and citizens and in supporting each other in these ever-changing times.

Ms. Gerome said both local government and schools would like to offer a proposal to provide a lump sum payment of \$1,000 for regular full-time employees, and some portion of that for part-time. She said this would come out of the existing year-end fund balance, and they would be able to do it this spring. She said if the boards agree conceptually to this, then the respective staff, Mr. Bowman and Ms. Kumazawa, would develop recommendations to take to each of the boards and the appropriations. She said staff wanted to get the board members' reactions to this, and so she would pause for their thoughts and feedback.

Mr. Paige said he is in favor of the proposal. He said this would be the School Board showing the staff how appreciative they are of the work they have had to perform during this time. He said they know staff have had many changes to make along the way, since last March, and so he is very supportive of the proposal. He thanked Ms. Gerome for coming up with this idea.

Ms. Palmer said she is in favor of the idea and glad it is a flat payment. She said she did want to know what the year-end balance is and how much of the balance will be used for this.

Mr. Gallaway asked if someone from the budget side could answer this immediately or if they would need to follow up later.

Mr. Bowman said he could speak to that. He said for the local government portion, during the audit that occurred in December, it was reported to the Supervisors that there was approximately \$7.5 million that would be available above and beyond the County's financial policies that would be available for one-time uses such as this. He asked Ms. Kumazawa if she could speak to the School Division side.

Ms. Palmer asked what the total amount is if they are to give \$1,000 to all regular full-time employees and some portion of that to the 0.7 FTEs.

Mr. Bowman replied that for local government, it would be a maximum of \$850,000. He said it would depend on the number of employees they will have at the time it is issued.

Ms. Kumazawa said that for the School Division, the fund balance is approximately \$8.6 million.

She said about half of that is within the 2% policy that they are able to carry forward. She said they estimate that the impact of this would be about \$2.7 million as a ceiling.

Ms. Acuff said she is generally in favor of the bonus. She said the employees have done an extraordinary job in a very stressful time. She said she did not know if it made any difference whether it will be structured as a bonus or otherwise.

Ms. Gerome replied that it will be a lump sum payment. She said for certain reasons, they do not use the word "bonus," but it is essentially the same thing as it is all in one check.

Ms. McKeel said to follow up on Ms. Acuff's question, it is one-time and therefore will not go into the base. She asked when they anticipate being able to do this.

Ms. Gerome replied that staff would like to do this in April.

Ms. McKeel said she is very much in favor of this. She asked staff if they could offer more detail about a portion of \$1,000 for regular employees below the 0.7 mark. She asked if this would be a sliding scale.

Ms. Gerome replied that they would look at 0.7 FTEs being perhaps \$750, and 0.5 would be \$500. She said they have not yet nailed down the details, but it would be some prorated method.

Ms. McKeel said what she was hearing was that this would touch everyone.

Ms. Gerome said it would touch all regular employees.

Ms. McKeel asked what "regular" means.

Ms. Gerome replied that a substitute teacher, for example, would not receive this payment, nor would a temporary employee.

Ms. McKeel asked about part-time employees.

Ms. Gerome said part-time employees would.

Ms. McKeel again said she was very much in favor of the proposal.

Mr. Oberg said he is very much in favor of trying to get some additional money into the pockets of employees. He said he thinks \$1,000 is probably not enough, from his perspective. He said he had to disagree with Ms. Palmer in that he does not like the lump sum simply because the raises that they forwent last year were percentage-based, meaning that people on the upper end of the scale got a legitimate raise in comparison to their salary, and people lower on the scale got a legitimate raise compared to their salary.

Mr. Oberg said if they are paying the lowest full-time employee \$1,000 and the highest-paid employee \$1,000, it is a good bonus for someone on the lower end of the wage scale, but it is a crummy one for someone at the top. He said the people at the top lost a significant raise, and so from his perspective, he does not know that he agrees that it should be based upon everyone getting a flat fee. He said he also knows that some employees put themselves at serious risk, and he would like to have some sort of compensation for people who were in the trenches, so to speak.

Ms. Mallek said she supports the proposal. She said she understands that the flat-fee approach is not the very best as far as the higher the scale, the harder the work, the higher the pay. She said she believes the pain, however, is equally felt throughout all the various income levels of staff. She said she is very much in favor of having it shifted more to the lower wages right now, as she believes they need it more.

Ms. Osborne said she is in favor of the proposal and likes the way it is done in lump sum. She said she feels that the employees on the lower end of the scale, from her perspective, have suffered the most.

Ms. Price said she completely supports the proposal. She said she recognizes that for many employees, it is an insufficient recognition of the increased workload that they have taken on as a number of billets have been left gapped over the course of the work, and more work has had to be done by fewer people. She said as with some of the other Supervisors, she believes that the fact they were unable to implement the \$15 minimum wage base and any sort of pay raise over the last fiscal year means that those at the lower end of the pay scale have suffered financially greater than those at the upper end of the scale. She said she is therefore pleased to see that the employees with lower income will, as a percentage, get a higher amount in relation to the pay scale.

Ms. Price said she also thinks that based on the information the boards were provided in the other presentations, this is sort of an eyeopener to all elected officials, as well as to employees and constituents, that they are going to have to come up with some additional funds in order to increase pay across the board for all employees as they move forward. She said she totally supports this.

Ms. Le said she supports this as well. She said while she appreciates Mr. Oberg's comments, she

agrees that this has affected the lower-wage earners a lot more, and so she appreciates the \$1,000 flat fee. She said she would like to know more information, speaking to the other part of Mr. Oberg's comment, if it would be possible to have any additional amount for people who have been in the buildings during this time. She said at some point, she would like to know about that follow-up possibility.

Ms. LaPisto-Kirtley said she is definitely in favor of this. She said all employees on both the local government and School Division side have worked very hard this year. She said she knows that on the local government side, as Ms. Price said, they froze positions and asked people to do more with less. She said many people have been working from home, but this means they are probably working more hours than they normally would because of the fact that they are working from home, just like in private industry.

Ms. LaPisto-Kirtley said she thinks the \$1,000 lump sum payment is a way of saying that the employees are seen and recognized. She said this is what they can do for now, and they appreciate all that the employees have done in making sure that local government runs for all the people of Albemarle. She said she knows the School Division probably feels the same, and she is sure that all the parents who home with their children appreciate the teachers and virtual teaching so that teaching has continued. She said she thinks this has been very much appreciated by all parents.

Ms. LaPisto-Kirtley said there is a lot of catching up they have to do, but in her opinion, this is a way of saying "thank you" to all employees for the job they have done in keeping everything going during the pandemic.

Ms. Callsen said she would share Ms. Le's sentiments. She said perhaps this was not possible in terms of logistics and how accounting works, but since they were talking about the need to increase pay across the board, she wonders about if they have the money to do bonuses, why they cannot make a commitment to say that this is an increase in salary that is going to be earned. She said there was something about just giving a one-time payment when they know they are underpaying someone. She said they did not give them raises that year, and she wanted to make note of this.

Mr. Alcaro said he supports this and understands what Ms. Le and Mr. Oberg were saying. He said there was wisdom in both of those statements. He said at the same time, this is a thank you, and as Ms. LaPisto-Kirtley said, it is a way to see or recognize the employees. He said he could not envision teachers of any paygrade, firemen, police, or other services declining the \$1,000. He said he thinks everyone would be grateful for the acknowledgement and would understand that this is not something the County does lightly or are they doing over the top where the resources could be put to other uses. He said this is just to say "thank you" to the employees.

Mr. Gallaway said he is supportive. He said logistically, it makes sense because of the source of this money for a one-time payment is one-time monies. He said he would not want to use one-time monies to do salary increases, and the policy has never been to use one-time money for ongoing expenses. He said to him, this is definitely two different categories. He said they can provide a lump sum payment that is done with extra money in the current fiscal year. He said in terms of salary increases and compensation, this is what the boards have to figure out during the budget cycle for the coming fiscal year, and this is in the ongoing money of the General Fund. He said he appreciates the way this proposal is set up and will support it.

Mr. Gallaway addressed Mr. Richardson and said he knows that during the past ten months of COVID relief funds, there have been payouts for some people for frontline work. He asked Mr. Richardson if he could speak to that.

Mr. Richardson replied that Mr. Trevor Henry and Mr. Doug Walker worked through the Incident Command structure last fall to begin to explore whether there would be an opportunity to do a pandemic risk recognition program. He said they did do this and awarded 386 staff, all hourly frontline workers, in two categories on the local government side. He said it was for work that was completed from day one of the pandemic, which was around March 12, for the first eight-week period where they were in emergency response mode.

Mr. Richardson said there were about 310 frontline workers that were in the field every day for those eight weeks, in a variety of settings, and those workers were given a one-time pandemic risk recognition of \$1,250. He said another group of about 76 staff, who were not in the field and had less exposure, were in the office the majority of the time during that eight-week period to ensure that essential services remained intact and that those services were provided to citizens under ongoing obligations.

Mr. Richardson said this recognition was given to about 386 hourly employees. He said no management staff received anything at all, and it was only for frontline workers. He said this was executed in August of 2020. He said Mr. Henry and Mr. Walker were present in case there were any additional questions.

Mr. Gallaway asked Ms. Gerome if she had what she needed from the boards regarding the question about the proposal.

Ms. Gerome replied yes. She thanked the boards for their thoughtful comments. She said staff will be bringing forward specific recommendations around this initiative.

Ms. Gerome said in terms of FY 22, staff shared a great deal of information, and she knew the meeting was likely the first of many conversations around compensation goals and priorities. She said there was information around making progress toward the \$15 minimum, which was the work that had been done last year but had to be paused. She said there was the information Ms. Robb shared regarding both step scales, Public Safety and teachers. She said in terms of consideration for classified employees, she had just heard comments for discussion for next year about how to reward and retain all the other employees who are doing good work.

Ms. Gerome said a general question for the boards was, "What are your thoughts about these FY 22 compensation goals and considerations?"

Mr. Paige said his top priority was reaching the \$15 minimum wage. He said if he could think of something else, he would send this along to staff.

Ms. Palmer said she was also interested in finding out how, specifically, they are going to implement the \$15-per-hour minimum, who it affects, and how far up on the scale they are going to go. She said there were discussions about this when they first talked about it, and so she is looking forward to seeing how this is implemented and who it actually affects. She said she knows the Board of Supervisors does not make decisions for the School Board, but she would like to know for schools how this impacts the lower-income bus drivers, etc., for her own information.

Ms. Acuff said she also supports the increase to \$15 and moving to it as quickly as they can. She said looking over a 12-month period at what those \$10-per-hour employees have right now, they lost \$9,600 worth of income. She said the \$1,000 is nice, but it does not reach what they had hoped.

Ms. Acuff said with respect to the teachers, she remains concerned that they will never catch up in terms of financing or funding teachers where they need to be without a strategic plan. She said she knows they need more state monies as well, but just pegging it with the 26 different school divisions and doing 2%, the gap will never catch up. She said she thinks they need a broader strategy for teacher compensation whether it is a five-year, ten-year, or other plan. She said she thinks they need to be looking at more than an annual 2%.

Ms. McKeel said she supports the \$15-per-hour minimum wage and getting there as quickly as possible. She said it is very discouraging for her when she hears that Virginia is going to attempt to get there by 2026. She said this is very discouraging. She said when looking at bringing it home to Albemarle County, they do have one of the highest costs of living and highest property values in the state, and so the cost of living is higher than many other communities.

Ms. McKeel said Ms. Acuff is right. She said they have been having the discussion for years about whether they are in the right market and approaching teachers' salaries correctly. She said she wants to make sure they do not get tied up with the same concerns around the safety salary scale as well. She said they need to figure out a plan so that people can afford to live and spend their money in the community and not have to drive out of the community.

Ms. McKeel said staff was thinking about long-term strategies, and so she is looking forward to a discussion at budget time, but she does think this is a conversation they need to come back to again for strategies perhaps outside the budget discussion. She said they get to one place, then put it off and come back another year, and she would like to have a broader, fuller discussion about salaries from both sides of the house.

Mr. Oberg said his frustration with the one-time bonus is that this is the third time it has been done. He said the first time was in 2009, and he understands that the governor at the time said they did not have any money. He said it is one-time, and so they keep starting back at ground zero. He said they have teachers who have been working for 12 years and have not gotten the raise they were offered in 2008. He said they are two decades behind, and so from his perspective, while he appreciates the thought of giving a bonus, the problem is he thinks there is a danger that assuages their guilt. He said he thinks it is a problem that they are giving a bonus rather than the raise they thought they were going to give.

Ms. Mallek said her priorities would be the living wage and the Public Safety pay plan. She said the living wage was for the survival of those employees, and the Public Safety pay plan was because of the extreme costs to get those people trained and ready for doing their job and for retaining the very best high-quality officers they can have in a very challenging environment.

Ms. Mallek said Delegate Hudson and others were talking that day about all the new benefits for the state budget and how much \$50 million was coming more to schools than in the past. She said she hopes that more people in the General Assembly are beginning to understand a greater responsibility for the state to take a better share of the expenses that they require. She said Jim Regimbal said they had finally made it back to the money per student amount that the state was paying the counties in 2009, but it was only because the number of students has fallen so far that they have gotten back to that status. She said it was very much about giving a little and taking a little away, and so they have to keep stepping along to do the best they can.

Ms. Osborne said her priority would be getting the lowest-paid workers up to \$15 per hour. She said she also agrees with Ms. Acuff that they need a strategy to get the teachers' salaries as least as

competitive as Charlottesville.

Ms. Price said her first priority is getting to the \$15-per-hour minimum. She agreed with Ms. McKeel that waiting until 2026 was far outside the realm of reasonableness. She said five years from now, \$15 will be worth even less than it is today, and so this is clearly the first priority.

Ms. Price said right behind this is law enforcement and first responders and ensuring the County is able to pay them the appropriate amount. She said they need to make sure they have the right people that they can then train and retain. She said the cost of replacement is substantially higher than it would be to simply increase their salaries.

Ms. Price said she would put these among the top priorities across the board with the things they need to consider. She said this was not in any way to discount consideration for teachers as well.

Ms. Le said she did not have much more to add that had not been said. She said her top priority was the \$15 minimum wage. She said she would not even call it a "living wage" at that point because she was not even sure it was that, but she thinks some people might see that as a shorthand. She said she would also echo what Ms. Acuff and Mr. Oberg said about the frustration of not being able to pay the teachers well. She said even if they come to their market, the market is a low-paying one, and she thinks this is something they need to keep an eye on and think about at all times, as Ms. Acuff said, and have a strategic plan for that.

Ms. LaPisto-Kirtley said her priority is the \$15 minimum wage and to do this ASAP when they are in a fiscal position to do that. She said behind that would be the Public Safety pay plan. She said "you get what you pay for," and so if they want to have the best teachers, first responders, and police officers, they have to do this. She said she looks forward to implementing that as soon as possible.

Ms. Callsen said she did not have much more to add, and her priority would be the minimum wage increase.

Mr. Alcaro said last year in the budget, they were able to do the minimum wage and find monies to funnel into the teachers' pay. He said then, life changed. He said he is hopeful that this year, they will get both the minimum wage and a good pay increase for the teachers. He reiterated that they need to quantify how big the problem is in order to boost the teacher pay up close to or past the level that it is in Charlottesville. He said he would still like to know exactly what that entails. He said he thinks everything can be managed, and the first step is figuring out what the expense will be.

Mr. Gallaway said he did not have very different thoughts from everyone who had spoken about what the priorities should be. He said he thinks that with the \$15 minimum wage, it will get there with the delay of the state or however long it takes, but when he thinks back to managing their own resources and when they had to do the VRS increase, they had to either do the entire 5% at once or spread it out over 3-4 years. He said that for the County, it made a lot of sense to do it fast and now to get the cost behind them, and this worked out in the long-term for them versus those who tried to spread it out over some time.

Mr. Gallaway said while he understands phasing it in, he thinks there is some logic to just getting it there. He said this could be the new normal and then, moving forward, the increases will already be in line with their philosophy.

Mr. Gallaway asked Ms. Gerome if she had what she needed in terms of responses.

Ms. Gerome replied yes.

Mr. Paige said he wanted to be clear that in addition to the priority of reaching the \$15 minimum, he would also emphasize that teacher pay is also extremely important to him. He said he was not saying that it wasn't important, and he thinks perhaps they should even look outside their market of surrounding counties in order to bring their wages up. He said they recognize that Virginia is not very good as a state in paying teachers, and so he thinks they probably need to look outside of their traditional market to make sure they are giving their teachers the very best salary possible.

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#### Agenda Item No. 8. Wrap up and Next Steps.

Mr. Richardson said this concluded the work that was slated for the evening with both boards. He said he did not have any wrap-up comments. He said from the County Executive Office's vantage point, he appreciated the hard work from Ms. Gerome and her team, in coordination with Ms. Birch, Dr. Haas, and their teams. He said there is a lot of collaboration with staff to work and share relevant information. He said he fully respects the issues that were discussed that day, both at local government and schools, and it was all underpinned with a caring group of professionals who are trying very hard to work with the community during uncertain and challenging times.

Mr. Richardson said they look forward to the work ahead and will prioritize the boards' recommendations. He said they appreciate the \$1,000 one-time payment to local government, and they will work it back through the official paperwork that will end up in front of the Board of Supervisors, where they will be approving a one-time payment for local government full-time staff. He said Dr. Haas will do that same work that is required under the applicable laws that govern the school's system.

Dr. Haas echoed Mr. Richardson's comments. He said he learned a lot by listening in on the conversation that afternoon. He said he sees a great deal of alignment in having stability for the workforce and working to support the employees. He said as several board members pointed out, when they support their employees, all the things they do find their way to students, community members, families, and to enhancing the great quality of life in Albemarle County. He said he appreciates the work both boards do and being able to listen and learn from them that evening.

Mr. Gallaway said as both boards start on the budget process, as Ms. McKeel mentioned the idea of people being able to stay in the community, and while they are talking about compensation at the moment, there are other decisions that will be made this budget cycle. He said affordable housing comes to mind and what they will do with that program, which will also have an impact on employees. He said budget time is when their votes speak to their priorities. He said they would like to prioritize it all. He said they will get to work and see how the budget cycle goes.

Mr. Gallaway said the Supervisors appreciated the School Board joining them that day for what was like a budget cycle kickoff. He said Mr. Paige could make his final remarks, and after the School Board adjourns, the Supervisors would go into closed session.

Mr. Paige said he wanted to thank all of the staff who put together the great presentation. He said he thinks they laid a perfect foundation before the boards to be able to plan the budget for the upcoming fiscal year. He said the School Board would be adjourning and were scheduled to meet again at 6:30 p.m. for their regular bimonthly meeting.

At 5:52 p.m., Mr. Paige adjourned the School Board Meeting.

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Agenda Item No. 9. Closed Meeting.

At 5:54 p.m., Ms. LaPisto-Kirtley **moved** that the Board go into a closed meeting pursuant to Section 2.2-3711(A) of the Code of Virginia:

- Under Subsection (3), to discuss or consider the following where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Board:
  1. The acquisition of property for the County's public trail system in the Scottsville Magisterial District; and
  2. The disposition of property in the White Hall magisterial district; and
- Under Subsection (7), to consult with legal counsel and briefings by staff members pertaining to actual litigation involving a tax; and
- Under Subsection (8), to consult with and be briefed by legal counsel regarding specific legal matters requiring legal advice relating to:
  1. A mixed-use development; and
  2. Appointments to boards, commissions, and committees.

The motion was seconded by Ms. Price. Roll was called and the motion carried by the following recorded vote:

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

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Agenda Item No. 10. Certify Closed Meeting.

At 7:41 p.m., Ms. LaPisto-Kirtley **moved** that the Board of Supervisors certify by a recorded vote that, to the best of each supervisor's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting.

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

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

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Agenda Item No. 11. Adjourn.

At 7:42 p.m., Mr. Gallaway adjourned the meeting to a budget work session on February 3, 2021 at 1:00 p.m., an electronic meeting pursuant to Ordinance No. 20-A(16), “An Ordinance to Ensure the Continuity of Government During the COVID-19 Disaster.” He said information on how to participate in the meeting will be posted on the Albemarle County website, on the Board of Supervisors homepage and on the County Calendar.

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Chairman

Approved by Board
Date 03/01/2023
Initials CKB