

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was scheduled for December 9, 2008, at 12:00 p.m., in Room 241 of the County Office Building on McIntire Road, Charlottesville, Virginia. This meeting was adjourned from December 3, 2009.

PRESENT: Mr. Ken C. Boyd, Mr. Lindsay G. Dorrier, Jr., Ms. Ann Mallek, Mr. Dennis S. Rooker, Mr. David Slutzky and Ms. Sally H. Thomas.

ABSENT: None.

OFFICERS PRESENT: County Executive, Robert W. Tucker, Jr., County Attorney, Larry W. Davis, and Clerk, Ella W. Jordan.

Agenda Item No. 1. The meeting was actually called to order at 12:19 p.m., by the Chairman, Mr. Boyd.

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Agenda Item No. 2. Meeting with Area Legislators. Present at this time were: Delegate David Toscano, Mr. Davis Walsh (Legislative Aid to Senator Creigh Deeds), Mr. Judy Wyatt (Legislative Aid to Delegate Steven Landes) and Ms. Ana Wenger (Legislative Aid to Delegate Rob Bell). Also present was Legislative Liaison for the TJPDC, Mr. David Blount.

Mr. Boyd said the Board would be talking today about Albemarle's legislative initiatives and priorities. One new item on the list is a request to give authority to localities to reduce the speed limit on some roads from 55 mph to 35 mph. Mr. Davis explained that this would be on unpaved roads that previously had an un-posted speed limit of 55 mph.

Mr. Slutzky asked if VDOT had funding in its budget to change all of those signs. Mr. Davis said there is no requirement to post the speed limit at 35 mph, but the Resident Administrator has a desire to do so. It is not certain funding is available to do so.

Mr. Dorrier asked if it is constitutional to catch someone traveling at more than 35 mph if the road is not marked. Mr. Davis said it is currently done the same way for roads that are 55 mph, but which are not posted. It is not a constitutional issue, but a fairness issue through the transition period when changing the speed limit from 55 mph to 35 mph.

Mr. Rooker said he does not think most people know what the speed limit is on a dirt road that is not posted. He said Mr. Allan Sumpter had sent an e-mail that said most of the roads should be posted.

Mr. Boyd then asked Mr. Blount to review the list of the Legislative requests.

Mr. Blount said he will review the regional legislative priorities. The top priority relates to local and state funding obligations. This urges the State to follow through with funding promises and not shift cost burdens onto localities, especially as related to unfunded mandates. Part of this initiative, especially during weak economic times, is for a "relaxation of requirements" or flexibility in meeting mandates if they are to continue.

Mr. Blount said another priority pertains to land use and growth management. The request is for additional tools for managing growth without circumventing existing processes. Also, the region has joined others in urging approval of broader impact fee capabilities while opposing attempts to weaken proffer policies. He stated that transportation funding is dire as those revenues continue to decline; the position of localities within the planning district has been to request a separate and dedicated revenue stream for the transportation network. The Comprehensive Services Act proposals have been focused on forming a partnership to achieve a better balance in responsibilities, adding that localities continue to look at the escalating costs of the CSA program and request the state to assume a healthier share. He added that the same thing has been encouraged of the state in regard to public education funding, with an emphasis on not shifting costs to localities and allowing increased flexibility in meeting requirements.

Mr. Rooker commented that at the Culpeper District transportation meeting last week attendees were told by the Transportation Commissioner that the Six-Year Secondary Plan would see cuts of from 10 to 12 percent this year, 25 to 30 percent next year, and 30 percent in all of the out years. He noted that these cuts are in addition to the 30 percent cuts already announced a few months ago. This leaves Albemarle with only 12 percent of the money it got five years ago. The County is down to a single digit in real dollars for transportation funding over what it got five years ago.

Mr. Dorrier asked about the possibility of having a one-cent tax on gasoline to help fund regional transit authorities.

Mr. Toscano said many people believe the solution to transportation funding should be undertaken as a statewide effort. At the end of the General Assembly session last year several votes were taken; one would have increased the sales tax and another would have increased the gas tax, but they did not get much traction. He said there have been discussions about Charlottesville-Albemarle creating an authority which would have a revenue stream associated with either an increase in the sales or the gas tax. That would require considerable time to work through the details. He has been in the Legislature since 2006, and there has been no success creating a statewide package.

Mr. Toscano said that given the economic situation, the prospect of the Commonwealth imposing additional revenues on a statewide basis to do anything is slim. He hears frequently that the money

continues “to dry up.” When he talks with people in his district he always emphasizes that at some point there will be no money left in the state coffers to build any new roads. Gas tax revenues end up going to states that can put dollars on the table to draw down Federal funds. The dynamic in Richmond has hindered getting anything passed and he doubts it will change in the next session; next year might be different with 100 seats up for election in the House of Delegates. He added that as more money is spent on maintenance, the amount available for construction decreases as the entire pot is getting smaller.

Mr. Rooker said the Transportation Commissioner gave a report on proposed internal changes to VDOT including cutting the number of Residency offices by 30 percent.

Ms. Thomas said the Commissioner was asked if the Federal stimulus package might help fund some state projects. She asked Mr. Toscano if a state match would be required.

Mr. Toscano said it just exacerbates the issue when the Federal Government puts money up that the State needs to match, but it does provide “more bang for the buck.” He noted that he has a piece of legislation drafted relating to the Rail Enhancement Fund so it can be used for operations as well as capital projects.

Ms. Mallek commented that the newspaper indicated the rail service from Charlottesville to Lynchburg was supposed to start in October, and she asked if the Legislature’s blessing is needed.

Mr. Toscano responded that it is a nice project but there is no money for it yet. He read that newspaper article too, but he did not see any commitment of money. He said there are a lot of people interested in having that happen. He mentioned that \$2.0 million in needed subsidies per year has not really been identified, and the freight lines may not want to give up their “pot.”

Ms. Mallek asked fellow Board members to clarify whether their support is for a two-part transit initiative: one part setting up the authority separate from the funding.

Mr. Slutzky said the funding part includes bike paths and other transit modes as well.

Mr. Boyd emphasized that a Statewide solution is needed, not a regional or county solution.

Mr. Toscano mentioned that he and Senator Deeds agree that it needs to be Statewide, although some authority could be given to regions to do some things.

Mr. Rooker said all the Board members are in favor of the state meeting its obligations, but they do not see “any light at the end of the tunnel.” If the State does not have the desire to raise the gas tax and increase transportation funding they should at least grant localities the ability to raise funds for themselves. He added that Albemarle wanted the ability to have a referendum and enabling legislation that would flow from that.

Mr. Toscano explained that ideas are submitted to the Division of Legislative Services which drafts the bills and sends them onto the Legislature. The deadline for drafting was Monday. His office asked them to draft enabling legislation to create a Regional Transit Authority, which is not a funding piece. He has also asked that a bill be drafted for the Regional Transportation Authority with the funding piece. He has no idea what that bill will entail when drafted but will share it with the Board when it is ready. He said delegates can submit up to 15 bills, whereas senators can submit as many as they would like.

Mr. Boyd asked what other issues would be at the front of the Legislature this year.

Mr. Toscano responded that the budget is a big issue. He said the Governor will be proposing some energy and climate change legislation. He has put in a bill to encourage more extended use of net metering where people can sell their energy back to the grid. Also, the school allocation will be subject to a big debate, as will aid to localities. It is important for localities to focus on what they do not want to have cut.

Mr. Walsh said that Senator Deeds is on the Climate Change Commission, and three or four bills will come out of that Commission. He said the Governor is to present his budget next Wednesday and then there should be a clearer picture of proposed cuts.

Ms. Thomas said the State was expected to fund schools at 50 percent instead of 55 percent, and she asked how to explain this shifting of the tax burden to the public.

Mr. Toscano said he thinks the best way to explain it to people would be to charter a bus and have the people come to Richmond. They need to come and testify and make your voice heard. He wanted to serve on a money committee when he first got to Richmond, but this is one year he does not.

Mr. Rooker said one thing in the Planning District package is to change legislation to enable communities to change the rollback position on land use from five years to ten years. He asked Mr. Toscano if he felt that was something he could “carry the ball on.”

Mr. Toscano responded that it is not in the PDC priorities, but is listed as an Albemarle priority. He is a member of the committee that deals with land use tools for localities, and it would be helpful for someone to develop the concept a bit more for him – provide concrete examples of how it would impact Albemarle.

Ms. Thomas said it had been requested in the past, especially by VACo.

Mr. Toscano said he would be happy to raise the issue, but the bill would probably not be considered in this session because there is too much deliberation that needs to happen first. He noted that he is a member of the committee that contemplated eliminating proffers.

Ms. Mallek said Northern Virginia developers have backed off of the bill because localities have told them there would be no more rezonings if the bill were to pass.

Mr. Blount said Mr. Ted McCormick from VACo communicated with him via e-mail, and VACo is expecting a temporary moratorium on increasing proffers.

Mr. Toscano said an argument was made that while the Land Use Committee is deliberating, a bill with such wide-ranging statewide impacts should not be considered. He encouraged the Board to provide as much information as possible for him related to Bill 768. The issue for him has been the cost for new development and redevelopment. Although it is difficult to assess what that is, an impact fee might approximate the cost of growth and that number might be different depending on the locality.

Mr. Rooker reported that the annual cost of land use in Albemarle is about \$18.0 million per year.

Ms. Thomas said that is the amount not received by the County because of the Land Use Tax Program.

Mr. Rooker added that the Revenue-Sharing Agreement with the City ignores the land use tax, so the County pays more to the City on land in land use than what it gets in taxes.

Mr. Toscano reiterated that he needs that information.

Mr. Rooker said the Finance Department can provide data on what the rollbacks are each year.

Mr. Blount said it would be helpful to provide that information to Mr. Toscano prior to the Land Use Committee's January 13 meeting, noting that the meeting will focus on processing all of the information received.

Mr. Boyd asked about the status of the Virginia Land Conservation Foundation given the financial situation.

Mr. Toscano replied that the tax credit program is a huge line item in the State budget – over \$100.0 million per year – and is very important to Albemarle County as they tend to use it more than all other counties in the State with one exception. He said when there is a high cost attached to any program, it tends to be a target, but he can assure the Board it will be looked at.

Mr. Rooker noted that in previous sessions there was bi-partisan support for cutting it.

Ms. Thomas asked if the Rivanna Water and Sewer Authority was part of the consideration for upgrades to sewer treatment plants.

Mr. Toscano said he thought that was bonded.

Mr. Boyd asked about Drug Court funding.

Mr. Toscano said there was a big fight over it during the last session. He has several bills that provide incentives for solar, etc., but they do not have much chance of passing given the budget situation because they have costs attached. He noted that expanding penalties for criminals also costs money because of longer incarceration times.

Mr. Rooker mentioned that elimination of the Drug Court will result in more people being incarcerated; cost analyses show a 20:1 payoff for having these alternate systems. He said the plan at the state level is to rent prison vacancies to Federal inmates to make money, and "cram down" State prisoners to localities where the State will pay about one-third of what the Feds pay them to house prisoners.

Mr. Boyd asked about the cost-to-compete pay differentials for schools. All information indicates that the cost-of-living in Albemarle and Charlottesville is comparable to that in Northern Virginia and other counties.

Mr. Toscano replied that he has been supportive of adding both localities to that program, but he has not been able to get it through.

Mr. Blount said he would not be surprised if that incentive is looked at for cutting this year, as it costs tens of millions to the state each year.

Mr. Boyd asked if anybody had another item to discuss that was not a part of the list.

Mr. Dorrier said last year the General Assembly had some money for mental health and he wonders if some of that money could be used for local mental health initiatives. There is one in Charlottesville called Comprehensive Intensive Treatment, and some steps are being taken in the right

direction concerning that program. He thinks they need some encouragement by the General Assembly. For every person kept out of jail, it frees up a bed and provides treatment for that person in the community.

Mr. Toscano responded that as a general rule he supports community-based services since he thinks they are more effect. There is a good local team in place that could use the resources provided to them and do a great job.

Ms. Wyatt reported that Delegate Landes and Delegate Matt Lohr have been working on the issue of unfunded mandates by the State; they are sympathetic to the situation. They have drafted legislation in response to certain items such as the cost of newspaper legal advertisements. Delegate Landes has put forth legislation that would allow those ads to be published electronically. He has also asked for a joint committee study of the impact of SOL's as connected to the No Child Left behind Act and graduation rates. He has suggested that a hold be put on accreditation standards but that proposal may encounter Federal obstacles. He has suggested putting a moratorium on new regulations.

Mr. Rooker noted that Fairfax County publishes a booklet on Federal mandates and the cost of them to their county. It is the most cogent expression of mandates and their impact on local budgets in Virginia that he has seen.

Ms. Mallek noted that the stormwater regulations going through the Department of Conservation and Recreation will have a drastic affect on localities concerning costs.

There being no other subject mentioned for discussion, Mr. Slutzky expressed his appreciation to Delegate Toscano and the other parties for attending this meeting.

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Agenda Item No. 3. Recess. The Board took a recess at 1:23 p.m.

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Agenda Item No. 4. Joint Meeting with School Board.

School Board members present at this time were: Mr. Steve Koleszar, Ms. Diantha McKeel, Ms. Barbara Massie Mouly, Mr. Ronnie Price, Sr., Mr. Jon Stokes and Mr. Brian Wheeler, Chairman; and Ms. Pam Moran, Superintendent. School Board member absent was: Ms. Pamela Moynihan.

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Agenda Item No. 4a. Call to Order. The meeting was called to order at 2:01 p.m.

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Agenda Item No. 4b. Access Albemarle Project - Overview and Demonstration.

Mr. Tom Foley, Assistant County Executive, said the Access Albemarle project is currently focusing on Fixed Assets, Budgeting and Budget Reporting, the County's Financial Management System (FMS), and Procurement; all of these functions are planned to be finished by the end of the fiscal year. After that, the project will focus on Human Resources, and Payroll and Collections modules; that work will take place in the next fiscal year. The Financial Management and Purchasing modules are to be implemented after the first of the year. He then introduced Mr. Mike Howard and Mr. Mike Bener, the lead consultants for the project.

Mr. Bener reported that the first of five phases of the project is being finished – it has to do with budgeting and reporting. He made a PowerPoint presentation outlining that phase of the project and also Asset Management; budgeting, reporting and asset management are in place. County assets have been loaded into the system – both for General Government and for Schools. Reports needed by the Finance Department for both internal and auditing purposes have been put together. That asset information is all in one system now, which should streamline auditing.

Mr. Bener explained that there are two ways for information to get into the system. It can be entered by staff or pulled from other systems. The most important feature of this system is in reporting capability, plus it will be easier to retrieve information – especially in the case of hypothetical situations. This is a “public sector focused application.” His team has worked within government for many years. Best practices from other jurisdictions and from Albemarle were merged for budgeting and reporting; the software can do operating budgets, capital budgets, tracking, and also has “dashboard” scorecards. The system is web-based and can be exposed through an intranet for people in the County to see it. He presented a slide on how data sources come together. There are multiple ways to access data. The feel of the system is similar to a laptop or desktop computer system, and dashboards can be designed as each user desires.

Mr. Howard presented information on the budget entry screen, and examples of reports that the system can generate. He said the budget entry screen is a uniform, standardized form that can be used by all departments for use in submitting their budgets. He said no FY '10 data has been entered yet. He presented an example of a report from the Finance Department which is broken down by cost center with subtotals for each, and a fund report with summaries by cost center and object.

Mr. Boyd asked the purpose of the report. Mr. Howard said it is another way of breaking down budget requests, adding that it will be important to some people but not others. The system can provide reports broken down as to: funds by function, departments by function, etc., specifically for General

Government. The user can also run a report for an object – such as overtime wages – and view overtime as budgeted in a fiscal year. He said many variables can be used to run reports, which reduces the number of reports needed.

Mr. Slutzky asked if there is an inventory of objects. Mr. Howard replied that there are tables and trees within the system; there is a drop-down menu also. He presented an example of a personnel report, showing administrative positions and the status of whether they are filled or vacant, and whether they are FTE positions. He showed the final report – a budget report that General Government has access to now.

Mr. Boyd asked if there is a way to extrapolate how much money is not spent in a given year because of unfilled positions. Mr. Bener responded that would be an easy report to make once the data is entered. It could also calculate the total overtime needed to be paid for other employees in order to cover those open positions. He emphasized that the system is public sector focused and will meet the needs of the County, particularly for elected officials. He said the system is installed and running on the County's network; his team is providing additional training for employees this week.

Mr. Slutzky asked if reports would have to be exported to Excel. Mr. Bener replied that data could be “dumped” into Excel or left in the system. Data within Access Albemarle cannot be manipulated.

Mr. Howard added that any limitations in the software could be exported to Excel and then put in a format similar to what most users are accustomed to seeing.

Mr. Boyd mentioned that he thinks it would be helpful to have a list of object codes. Mr. Bener said searches and lookups can be done from descriptions, so codes do not need to be memorized.

Mr. Rooker asked how the system is accessed today to get the drop-down list of reporting functions. Mr. Bener responded that striking the “F2” key will show the pull-down menu of options. The system is intuitive because it relies heavily on descriptions.

Mr. Boyd commented that he would find it helpful to have forecasting tools available that could be propagated throughout the budget. Mr. Bener said they made the system flexible for forecasting so if items are added or tax rates adjusted that can be done automatically instead of manually.

Mr. Wheeler asked if the budget entry screens are being used for FY 2010. Mr. Bener replied that it is not being done yet, but he hopes to have some employees use it in pilot format within this budget year. He said they are trying to meet a general timeline, but it will be implemented early in the new fiscal year.

Mr. Foley said they hope to have the first four phases finished and then the modules for Human Resources, Payroll and Collections take place during the fiscal year; eventually it will be integrated into the financial management system. He emphasized that in the future “running numbers” will be easier, but at this time staff is focused on getting that information in the usual manner in order to meet the demands of the many meetings associated with this challenging budget year.

Ms. Mouly asked if there will still be support and training available as new modules are implemented. Mr. Bener said they strive to keep continuity with the people doing the work - different skill sets are brought in as needed. Training with this system is ongoing – weekly, bi-weekly, etc. – and is always available along with documentation. It sounds like a slow, methodical process, but that is how a lot of people learn.

Ms. Thomas asked if the Historic Preservation Committee was still going to face obstacles in terms of being able to use this system. Mr. Foley said the process from the beginning has been core business systems – Financial, Human Resources, Payroll, etc. – but other modules can be added in. At this time they are focused on core financial systems and putting them into a system that has enough flexibility to handle a bunch of different modules. He said other modules can be purchased for the future – such as a system to track citizen complaints.

Mr. Wheeler asked when there will be enough modules in place to allow the mainframe to be eliminated. Mr. Mike Culp, Director of Information Technology, explained that the collection system is the most crucial piece of the mainframe, and it is possible that it could be moved to Access Albemarle by FY 2012.

Mr. Foley noted that there will be focus on the collections system after July 1, 2009, but the question remains as to how soon the switch can occur. He reiterated that the four modules being put in place this year are basic financial management, budgeting and reporting, purchasing, and fixed assets.

**(Note:** The Board took a brief recess at 2:46 p.m., and then reconvened 2:51 p.m.)

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Agenda Item No. 4c. Review of Oversight Committee's CIP Recommendations.

Mr. Tucker said that Mr. Bill Letteri, Director of Facilities Management, will present the recommendations of the CIP Oversight Committee.

Mr. Letteri said he will be presenting the CIP for the coming five-year term. He said this year began assuming it would be a regular cycle year where departments and agencies would present new CIP projects to be considered for inclusion in this assessment period. He said the Board made a decision to

revert this to an amendment year process. Staff had to deal with changing strategies mid-stream, as revenue projections against which the program is balanced changed. He is presenting a balanced program today, achieving the goals of maintaining a reserve balance at the end of each of the five years – close to about \$2.0 million. He said this plan does not meet the needs and demands of the County at this point. The program was prepared against the target of balancing the program against available revenues which have been dramatically reduced. To do that, almost \$100.0 million had to be cut from the adopted plan. He will mention those major adjustments first and then present the proposal from the committee and staff.

Mr. Koleszar said he finds this unacceptable because it puts the County far behind, and at this time it is very affordable to pursue construction projects. He asked if there could be a bond referendum or something else done to allow for construction while the price is cheap.

Mr. Boyd said he served on the CIP Technical Review Committee which looked at pay-as-you-go versus financing, but financing is not free. Moving forward with some of these projects would impact long-term debt and there would be operational costs also. Some items were determined to be unnecessary – such as the Keene Landfill remediation – and were eliminated; other items were moved down on the list into future years such as library projects. He understands the statement about construction costs being lower, but no one knows what it will be like in three or more years, particularly if the Federal government puts a lot of money into construction and people go back to work.

Mr. Rooker said the Northern Library is an example; it was not going to be in addition to the existing library, they are looking at extending that lease. He has said many times that the current location is a better location than the new locations identified in terms of being central to the population areas.

Mr. Koleszar stated that if the revised budget is adequate to meet the needs of the County then the money should not be spent. He asked if the CIP Oversight Committee was locked into a budget number so that it had to present this recommendation.

Mr. Boyd replied that to some extent they were. The Board made a decision to put some things on the table such as a reduced commitment to transportation and infrastructure costs equal to a penny.

Mr. Slutzky said that just putting those things on the table did not mean the final budget would eliminate all of them. The committee's recommendations are helpful in identifying a bare-bones approach. He said that just acknowledging that these numbers make sense does not mean he is supportive of all of the items being delayed or eliminated, and no one thing is necessarily supported by the group as a whole. It will be sorted out at budget time.

Mr. Letteri said he will talk about the County's funding policy and the debt policy as it relates to the Capital Improvement Program. He will give an overview of the adjustments made against the adopted plan. He will then summarize the proposed CIP Program. He said the Committee, in doing this plan, acknowledged a number of concerns. It has been the goal of the County to fund a certain amount of the Capital Program with current revenues, principally cash, and that target has been about three percent. With this year's reduction in the transfer, that is not being achieved. After debt service, it will be closer to one percent of current revenues supporting the capital program in fiscal years 2010 and 2011. The percent by which the County is funding projects in cash in those years is pretty good because of rollovers but trending is down from the 35 to 40 percent range to about the 20 percent range given the proposed debt structure.

Mr. Letteri said in terms of debt there are two critical policies that need to be focused on: 1) the amount of aggregate debt as a ratio of the assessed market value of properties – this is limited to two percent; and, 2) debt service compared to total revenues and that cannot exceed 10 percent. He showed a chart which indicated the two-percent line and also lines representing AA and AAA targets; the County hovers up against the AAA mark. In terms of debt service to revenue, the AAA is just under eight percent as established a couple of years ago, but that is likely to change. He said the County is okay in the earlier years but in the latter part of the five-year program it bumps against that limitation; to increase borrowing would have a cumulative affect because debt service usually runs for 20 years.

Mr. Letteri said the Oversight Committee and others have emphasized the need to look at every opportunity for leveraging revenues; there was a discussion about including such a statement in County policies. He presented a staff draft for inclusion in the Capital Manual stating that the County will give priority to projects that include revenues from outside sources such as donations, grants, public-private partnerships, joint undertakings, State and Federal programs, etc. He noted that 2009 may provide such an opportunity with infrastructure moneys that may become available.

Mr. Letteri presented a summary of the General Government side of the CIP and the proposed adjustments against the adopted plan which was for \$153.0 million for the five-year period. He said every functional area has had a major adjustment – courts, public safety, community and neighborhood development, parks and recreation, libraries, etc. He will demonstrate later the cash impact of putting projects back in. On the Schools side there have been 17 percent, or \$14.0 million, in adjustments. The CIP was a \$239.0 million program over five years and it has been reduced to \$138.0 million.

Mr. Letteri said he would highlight the functional areas to show the adjustments made. In Administration the voting machines and electronic polling books were pushed out beyond the five years. He said the electronic poll books are an enhancement to the program. They presently have laptop computers at all polling places. The voting machine replacement was to occur in FY 2011 – it was hoped

to be tied in with Federal dollars, but since that was not certain they felt it was okay to move that expenditure forward.

Mr. Letteri explained that the Courts category was the subject of significant adjustments. The Levy Building renovation was to happen in a couple of years. However, now the JD&RC operation will be moved from the Levy building in the spring and this jointly owned facility will then be available for renovation. Initially, it was expected that it would be renovated for a dual-court operation with the City. It is not certain now that the City wants to proceed in that regard so for that reason the project was deferred. Staff and the Oversight Committee believe this issue will come before the Board well before the end of the five-year CIP. The Court Square renovation was a project that was to follow the Levy renovation. When the General District Court was moved out of the existing Albemarle building that facility was to be renovated to accommodate the needs of the Circuit Court and the Commonwealth's Attorney. Because of this deferral, both of those projects are being pushed out while still recognizing there are real needs there.

Mr. Rooker asked if there has been any further discussion with the City. Mr. Letteri responded that the City does not have this in their capital program now, but recent communication with the City indicates there may be a renewed interest in the project.

Mr. Rooker said it is likely the County will be required to go forward with a mutual project. Mr. Letteri said it is unknown what the project would be if it were put back in, and when it would come online.

Ms. McKeel said the Committee had noted that next year is a full review year, and perhaps there will be more information at that time.

Mr. Letteri said maintenance of the Old Jail Building is being studied now and until that is complete it will not be in the CIP; some minor Court maintenance projects were also reduced in funding. For the Public Safety category, the Jail expansion project is deferred until FY 2013, a year later than originally planned. The funds available in the CIP represent the County's share of debt service for that project. The Public Safety Training Facility is being deferred beyond the five-year period. Funding for the Seminole Trail, Charlottesville/Albemarle Rescue Squad facility has been reduced significantly. He mentioned that the CIP Technical Review Committee knows this is a critical project that needs to be addressed in this five-year timeframe. The adopted CIP showed a level of funding from the volunteer group, but they no longer have the ability to commit to their portion of funding, so that funding piece was removed, which reduced the project.

Mr. Boyd asked about putting the project back in the CIP for the same amount of funding as in the current plan. Mr. Letteri responded that it is in the CIP at 50 percent of what was in the adopted plan. The project originally started at between \$5.5 and \$6.0 million. CARS came forward with a commitment to contribute that much again to the project so the County recognized 50 percent of it as being contributed on their behalf. He said there have been conversations with the volunteer group acknowledging this change and making it clear that the County will engage them in a study in early spring to determine what really needs to be done. He said that next year that detailed information should be available.

Mr. Slutzky asked if CARS had indicated they could build the project at a significantly lower cost by using volunteer labor and making other adjustments. Mr. Letteri said that may be one of the options they will look at. He said they might be able to take on a piece of the renovation work with their own funds.

Mr. Slutzky said that was discussed with them, and the outcome was to do an analysis of the project in the spring. In the meantime, an amount would be included in the CIP.

Mr. Letteri said both the Pantops and Ivy fire stations have realized substantial savings over the previously adopted plan, as the County has been able to work out arrangements for property that has largely reduced the scope of these projects. Those savings are reflected as the notion that the smaller projects have been moved forward a couple of years to match up with the timing of the contract with the City for services.

Ms. Thomas mentioned that there was some money for Ivy in the CIP for this year, and that has been taken out. She asked if that is because of the land arrangements. Mr. Letteri said it is complicated because the initial appropriations for Ivy involved the purchase of land. Some of the initial appropriations were for that purpose. Those appropriations are being left alone but deferring the borrowing to time with the third year.

Mr. Slutzky said if the County does not have to buy the land, why are those funds still in the CIP. Mr. Letteri said the County had appropriated the initial funds for purchase of the land and it was thought that in the future another \$6.0 or \$7.0 million would be spent on a facility. It has now been discovered that the County has the property so it does not need to purchase the land. The appropriation was left and the need grossed up for that third year to what it will take to go into the leased property and make the improvements, and no money was borrowed to do any of it.

Mr. Slutzky asked if the money for land acquisition is being shifted to improvements. Mr. Letteri said as opposed to being a \$7.0+ million project, it is now a \$3.0 million project.

Mr. Slutzky asked if debt is being replaced with land acquisition resources. Mr. Letteri said initially it was thought that the land part would be funded with cash. Now, it will all be put into one amount, and funds will be borrowed for the project. The money that was available for land purchase will be available for that facility.

Mr. Letteri said the Climate Protection Program is an important aspect of the public works plan, but it has been eliminated because it is a new program. He mentioned that some maintenance funds for County-owned facilities have been decreased. There was a contingency fund for the Keene Landfill of about \$0.5 million, but those funds are being released because staff sees no need for them. However, there is a continuation of funds for the Keene Landfill project over the next five years of about \$50,000 a year. Funds for the recycling centers were deferred, as well as a number of additional improvements to both general County buildings and to the court buildings.

Mr. Slutzky asked if the committee discussed reserving some money for climate protection if there is a leveraging opportunity. He said the Governor is slated to unveil a climate change initiative and the Federal Government is focused on an 80 percent reduction of greenhouse gases by 2050. Mr. Letteri responded that the Committee did not discuss this item a lot because it was considered a new initiative – it did not qualify in an amendment year. They acknowledged that if any incentive funds were identified, staff would bring the program back for review.

Mr. Letteri reported that most of the two-cent reduction in the CIP happened in the areas of Transportation and Urban Infrastructure, as transportation was reduced by \$10.0 million. The Neighborhood Plan and a collection of urban infrastructure projects were reduced accordingly. The other part of the two cents was for the ACE Program. In the Parks and Recreation category, almost every park project was deferred. What remains are maintenance funds for operations of parks and trails – it was a total of about \$8.6 million in deferred projects. He emphasized that some of these projects were in the early stages of master planning, so there was uncertainty about when they would start anyway; in next year's cycle there will be a focus on which projects are ready to go in order to present a phasing plan showing the County's ability to fund those projects.

Mr. Wheeler asked about the YMCA funding – are there separate pools of money for the competitive lanes and one to provide general support for the YMCA. Mr. Letteri explained that the adopted CIP plan shows three different options for how to address the competitive pool idea - all three have been pushed out beyond the five years until they can sort out the best proposal. A proposal from STAR is now being entertained that seems to be the most attractive, and it would involve about \$500,000 over five years, but that is not in the program at this point.

Mr. Wheeler said that is the competitive money for the YMCA, but what about the other money for the YMCA. Mr. Letteri confirmed that the County had previously appropriated \$2.03 million as its contribution to the YMCA - but this proposal removes that prior year appropriation.

Mr. Slutzky said this is an amendment year, but there are new requests which have been put in. Mr. Letteri said the collection of competitive pool alternatives was an old project.

Ms. Thomas asked about the \$15,000 for Parks and Recreation security requirements which is recommended for funding in the first year even though it is a new initiative. Mr. Letteri said this item was viewed as critical.

Mr. Slutzky said that priority pedestrian crossings are listed as being recommended by the Board to promote the use of alternative modes of transportation. He asked if that is separate from the discussion about people being killed trying to cross Rio Road and other areas in the Route 29 corridor. Mr. Letteri said these are separate. Included in the Neighborhood Implementation Plan money, there is about \$850,000 to address critical crosswalk projects.

Mr. Rooker asked if some of that work will be done with VDOT money, such as the crosswalk at Georgetown and Hydraulic Roads. Mr. Letteri replied that he hoped that would be the case.

Mr. Slutzky noted that the crossing at Hillsdale Drive and Rio Road was VDOT funded as part of an original plan that included several locations.

Mr. Stokes said he would like to go back to the Parks & Recreation security requirements item because the reports he has do not seem to match what is being said. He said there was nothing in the original request, but \$66,000 was added. It still shows in the detailed report, but Mr. Letteri has said it is being deferred five years. He asked if that is right. Mr. Letteri said "yes."

Mr. Letteri said the document to which Mr. Stokes is referring represents the adopted plan, the submittals and what the Technical Review Team recommended, but not necessarily what the Oversight Committee recommended. In reply to a question from Mr. Boyd he clarified that the funding that now exists for the Preddy Creek and Byrum Park projects is sufficient to do the first phases of those projects.

Mr. Letteri said it was planned to fund a new Northern Library somewhere in the Route 29 North area with a large enough facility to accommodate the administrative areas for the Central Library; after that was done the plan was to move staff there and then renovate the Central Library. He said the lease on the Northern Library has been extended about five years which enabled the County to push these two projects out, and that matches with the City's delay for the Central project out past five years.

Mr. Bryan Elliott, Assistant County Executive, explained that the property manager has indicated a willingness to extend the lease through June 30, 2014; the County has requested a first right of refusal on any adjoining space so if any is freed up in the five year period, the County would have first availability for that space.

Mr. Rooker said he feels that library facility is in a good, central location. He believes that use of that shopping center will likely be changed somewhat in the future, and it is a good central location in the northern growth area.

Mr. Dorrier asked why the recommendation is for "decreased" funding for the Scottsville Library rather than for "deferred" funding. Mr. Letteri said there has been a reevaluation of the square footage needs for that library. In the adopted plan it was stated as being larger than necessary by the study that was done. The space analysis showed that it went from a need for 3,500 square feet to 2,800 square feet. That was not part of this year's CIP process. He also pointed out that for projects like the Crozet Library, they tried not to impact a project which is under design, but for this one the recommendation is to push it out two years because of its operational impacts. He said that even in the best of circumstances the project would not be ready to start before FY 2011. If the plan is accepted, it will only stall this project for about one year.

Mr. Letteri said the ACE program was part of the two-cent reduction, but the ACE Tourism Fund was not impacted although it was adjusted to reflect the change in revenues; the County's ACE Program was reduced by approximately one-half. He said the Stormwater Program was reduced significantly - from \$1.0 million to \$250,000 over five years, and there is about \$2.0 million in accumulated balances to do projects which have been identified at this time. There will be no major impacts with this reduction.

Ms. Thomas asked if the idea of having a Stormwater Utility as another revenue stream for stormwater projects is moving forward. Mr. Foley responded that staff is setting that idea for discussion during a strategic planning session. It is tied to a specific level of service, i.e., doing projects beyond a mandated level.

Mr. Letteri reported that a number of School projects have been deferred - some identified for deferral by the Schools and the Long Range Planning Committee - including the Crozet Elementary School, the Hollymead schools, and the Western Albemarle High School project. The southern feeder projects were put back in this plan to what was in the adopted plan at about \$12.0 million. The Oversight Committee acknowledged that this is probably not enough to do either a single school project or enough to renovate three schools. There is a study slated for spring which will inform next year's CIP process about ways to proceed.

Mr. Letteri said the plan includes \$607,000 for the Courts program over the five-year period, primarily in maintenance dollars. For the Public Safety category there is funding for apparatus for both the County and volunteer groups. Special equipment will be purchased. There are funds for the Ivy and Pantops stations, and various technology and mobile data computer equipment that need to be replaced. He stated that the Public Works program is largely for maintenance, but the window replacement project is still included as it is a critical energy conservation measure. The Ivy Landfill Remediation Program is funded and there is money for routine work at the Keene Landfill. Funds are allocated for debt service on the Moores Creek Septage Receiving Facility which the County is participating in, and then there are lease payments for the storage facility at Seminole Place.

Mr. Letteri reported that for Community Development, there is \$2.0 million allocated to the Neighborhood Plan implementation project. There is a large amount in the first year of the plan to cover the cost of crosswalks. The revenue-sharing funds to match VDOT programs which are underway are not impacted. He said the sidewalk program has been evaluated and there is an amount to support the projects which have been identified.

Mr. Slutzky asked if there is any recommendation for the out years to address the need for sidewalks along the stretch of Rio Road between the Treesdale site and the bridge where there are currently sidewalks. Mr. Letteri responded that he thinks there is, but is not certain, so he will have to check.

Mr. Letteri said for the part of the Transportation Program having to do with regional studies, the Committee felt it was important to have funds available in order to continue participating in those studies. He said the Parks and Recreation program is mainly for maintenance type programs and care of facilities to a minimal degree, with no major projects in the five-year period. For libraries, the only two are the Crozet Library and the Scottsville Library expansion which will happen later in the five years.

Mr. Letteri said there is no change in Technology or the GIS systems. For the ACE programs there is no change to the level of funding for the tourism component. The County component was reduced by about 50 percent - down from the previous \$1.2 million per year. For Stormwater Management, it is at a \$250,000 per year level. As for School projects, the first phase of the Greer Elementary project is underway; there is funding for gymnasium lighting and HVAC improvements in several schools. The Committee recommends funding an adequate maintenance program to support 28 County school campuses. He said there are funds earmarked for the Southern Feeder; the Sports Services Complex was moved out two years. The Western Albemarle project would occur in the final years of the five-year program.

Ms. Mallek asked if the amount for gymnasium floor is for more than one school. It was confirmed that it is for more than one school in the way of refinishing.

Mr. Rooker asked if there have been plans done for the expansion at Western Albemarle. Mr. Letteri responded that conceptual plans have been done - improvements are needed to get students out of trailers into classrooms.

Mr. Letteri said there were a number of concerns raised by the committee. He said the Levy project will likely come back before the Board in the next couple of years. He will keep the Board informed as soon as the City's intentions are known. Concerning renovations at Court Square, there have been conversations with the judges and the Commonwealth's Attorney regarding their space needs – it will have to be dealt with in the next couple of years. The public safety training facility relates to the Jail project. The burn building is currently located on the Regional Jail site. If the Jail project is begun in the next five years the County will probably no longer have access to that burn building. He added that it is also possible to maintain access to the existing facility for a couple of years.

Mr. Letteri said the YMCA contribution was a prior commitment but it is no longer in the plan; the money would have to be reappropriated again in order to get that project back in the CIP.

Mr. Rooker asked Mr. Tucker if he knows how the YMCA's fundraising is proceeding for that project. Mr. Tucker replied that he has not received any new information recently, but the last he heard was that fundraising has not been as strong as it had been initially.

Mr. Boyd noted that the Board had remanded this to the Darden Towe Park committee to discuss because of the situation with Darden Towe. A meeting is being set up with them for next week.

Mr. Letteri reiterated that the Committee moved the \$1.2 million allocation for the competitive swimming pool out beyond the five years, but there is a proposal being entertained.

Mr. Boyd said that has now been totally removed from the CIP, but there is a cost opportunity involved. There is \$100,000 in the current CIP that could go to them this year, and that could be leveraged against the \$1.25 million which was the YMCA's proposal. This is a better deal for the County because for the planned \$500,000 contribution there would be no operating costs at all.

Mr. Rooker emphasized that from a financial standpoint it is a much better deal. He assumes the availability issues will be worked through.

Mr. Boyd said all of that has been laid out.

Mr. Slutzky said it is possible the Federal Government may give a certain amount for capital projects if a local match is available. He would like to suggest that the Board go forward with the understanding that during the budget cycle it might choose to reallocate some moneys into the CIP, not earmark them for any specific project, to be used to leverage funds that might become available in the next couple of years.

Mr. Boyd said that sounds like a good plan, but this project is "on the table today." It has already been earmarked. He asked for comments from the School Board members. He said both Mr. Stokes and Ms. McKeel had questions during the Oversight Committee process.

Mr. Stokes said it is strange because it seems to be that it is a school-type request - the justification is for competitive swimming for school swim teams, but it is not necessarily in the School's budget, and the request did not come from the Schools.

Ms. McKeel said the School Board has had no involvement and has no information about the project, and it is a private pool.

Mr. Stokes said as a member of the CIP Oversight committee, it seemed to be a strange year to spend about \$400,000 to put a bubble over a private pool even though it seems to be a better plan than that of the YMCA and is a more efficient plan than putting a bubble over the Crozet Pool, which is also a public pool. As a member of the School Board, he would rather have \$400,000 put in the Schools budget for computer replacements.

Mr. Boyd said he would like to clarify that a competitive pool is a community need. The greater use would be for the community with their year-round programs through STAR and the YMCA. It is really a parks and recreation item that evolved out of a needs study done years ago. That is why it shows in the Parks budget. He said the Board was trying to leverage it and piggyback some advantage for the Schools.

Ms. McKeel said they were concerned about how this project might impact the Schools portion of the CIP.

Mr. Rooker said the Schools' portion of the CIP was cut about 17 percent, whereas General Government's portion is being cut 56 percent. When the Board went through these projects one-by-one there seemed to be a good rationale for almost everything that had been deferred in School projects. He asked if there was something deferred that did not have a good rationale.

Mr. Stokes said Administrative Technology was at \$175,000 per year and the Schools requested that it to be boosted to \$250,000 but it is back down to \$175,000. That is an example of an area where if there was extra money in the CIP it would ostensibly be for a school benefit. He, as a School Board member, might choose to spend the \$400,000 differently. Now that it is being presented as a community need, it makes sense for the Board to address the need for indoor swimming through a Parks & Recreation project.

Mr. Rooker said the difference from the Board's perspective is that the needs study originally showed a need for an indoor pool in the community for recreation purposes, as well as a demand by the school teams for better practice and meet times. He explained that at one point the cost estimate for a couple of individual facilities was about \$25.0 million, plus huge operating costs. The Board realized the County could never do anything like that, and it needed to find partners in the community to satisfy the need through leveraging. He said then the YMCA project came along, and this project is essentially comparable to that one. If this is done, it will satisfy a significant need in the community at a fraction of the cost originally estimated and there will be no operating costs associated with it for the County.

Mr. Stokes responded that he is not arguing that this is not the most efficient way to meet this community need, but he questions whether this community need should receive the \$400,000 in a tough economic year like this.

Mr. Dorrier asked about the nature of the relationship with STAR.

Mr. Boyd explained that the County would be a partner with STAR. The County Parks & Recreation Department asked for proposals. On the Committee that reviewed the applications, there was the athletic director at Western Albemarle High School.

Mr. Pat Mullaney, Director of Parks & Recreation, said he would like to make a clarification. Two elements for the swimming need in the community were identified in the recreational needs assessment – the primary need is the warm-water recreational pool, which is what the YMCA will provide; regarding the community recreation need, the competitive pool alone is not that great of a need. He said there were 16 indoor recreation needs rated in the survey, and competitive swimming came in at 15 with just five percent of the population picking it as an urgent need. At this time there are three high school swim teams who swim from 9:30 p.m. to 11:00 p.m. As soon as this opportunity for the STARS partnership came to Parks & Recreation, they brought it to the Schools attention. He said the Schools appointed someone to meet with the department to sort through the proposals. He wanted to clarify that there are two different needs - the needs of the community will be met by the warm-water YMCA pool. He said it is getting close to the time to make a decision on that proposal; he anticipates that the YMCA is going to move ahead with the base facility soon. If that happens they will probably want to start construction next year to take advantage of the good construction climate. The County's \$2.0 million may be needed in FY '10-11.

Ms. Mallek said the people from STAR met with her in the summer and in September the Crozet Pool representatives presented information about their improvement efforts. She said this is another opportunity for a public-private partnership as concerns a one-time investment for the bubble improvement at Crozet. She has been told that the YMCA wants to run the program at the School and will also move into the building. She was told by people at Western Albemarle that they have only 30 children who swim but there are another 150 who swim in the summertime but are not able to swim year-round because of the late practice times. She said the same problem will occur when scheduling multiple teams practicing at the same time which is involved in the STAR plan. She hopes the Board will keep an open mind about making a smaller investment to the pool in town and a partial investment to the pool in Crozet. They have all the same benefits and the western half of the County would not have to drive all the way to the northern part of the City to practice and to swim. She said there is a large, growing community in Crozet that could use all of the adult facility.

Mr. Mullaney said that in January, Parks and Recreation will be bringing all three requests to the Board along with the pros and cons of each proposal.

Mr. Stokes said from the information just given, it sounds now like the \$400,000 is strictly for the Schools.

Mr. Rooker said there are a group of competitive swimmers who are not going through the Schools so there is that element of the population to consider. He said that someone from the Schools participated in the review process for the pools. If the Schools do not think it is an important item for the school teams, then that should be "put on the table."

Mr. Boyd emphasized that if this is not done, the probability of that \$400,000 going back into the School CIP is *nil*; the money will probably go back into the Parks & Recreation category or some other County need.

Mr. Stokes said that is fine. They need to decide if the competitive pool is more important than, for instance, the Parks & Recreation Security System.

Mr. Slutzky said he thinks the Board should "give a nod to" the recommendations from the Committee received today. It would be done with the understanding that some elements of this have been taken out, and that some might be put back in during the budget work sessions. He suggested the School Board members talk to the rest of the School Board members and make a decision, from their perspective, regarding the STAR proposal.

Mr. Rooker said this is an opportunity to provide this amenity at a fraction of the cost to the community versus doing it other ways. If the Schools do not think the need is enough to take advantage of a significantly leveraged opportunity, then they should inform the Board of that.

Mr. Stokes responded that he is trying to balance the needs of three high school swim teams versus what else could be acquired with that money for schools. If the Schools will not get any of that money if they vote against the pool proposal, then he is "all for it."

Mr. Rooker said the CIP is a shared fund, and the majority of the money goes to the Schools.

Ms. McKeel said part of the confusion is that the School Board did not have any involvement in this and did not know anything about it. It was presented to them as something in the CIP budget for the students.

Mr. Boyd said there was not any intent to leave anyone out of the discussion; the Schools were invited immediately to be involved in the discussion.

Ms. McKeel said she agrees with Mr. Slutzky's suggestion.

Mr. Wheeler said he appreciates the Board asking for the School Board's involvement. He likes what Ms. Mallek said about finding some balance between Crozet and the Fairview option. He said Mr. Dave Phillips did brief him on the proposal. He told him to talk with Mr. Boyd to see if it could be inserted midway in the process of the CIP review.

Mr. Price asked if the pool will be open for public access after it is covered.

Ms. Mallek said "no," but students would be able to use it for their teams.

Mr. Price said public funds will then be used to fund a private pool, although the students would be allowed to use it. That is a major concern for him.

Ms. McKeel said the School Board needs more information.

Mr. Rooker said the Crozet pool is a public pool.

Ms. Mallek said she was told that the Crozet pool is the only public pool in the County.

Mr. Slutzky asked if the Fairview pool will be a public pool.

Mr. Boyd said "no."

Mr. Price said he would not want to see public dollars go toward something that only has private access.

Mr. Letteri said he would like to clarify that these funds are not included in this program now. The \$400,000 is not part of what is being proposed in the CIP.

Mr. Boyd said this is not the total cost, only a portion of the cost.

Mr. Letteri said that at the end of this process there will be a list of projects and the impact for putting them back for further consideration. The CIP committees are only halfway through the CIP process; the recommendations go to the Planning Commission next.

Mr. Letteri said he will finish his presentation by mentioning that the Northern Library lease expires before the end of the five-year period or before money can be set aside for it. An extension on the existing lease is needed. Mr. Elliott indicated that the lease will be extended through 2014. Mr. Letteri said if that is to be the actual end of the lease, a building will need to be in place at that time for the library to move into. He said that the Public Works Department has identified between \$200,000 and \$300,000 in needed security improvements for the Courts system. They are meeting with the Sheriff and others tomorrow to begin a discussion on how to phase in some of the improvements. However, those improvements are not included in this CIP plan.

Mr. Letteri said the Southern feeder projects have been mentioned, but there are insufficient funds to accomplish either of the alternatives. He presented a list of projects that have been recognized as concerns by the CIP Oversight Committee. They are the two-cent reduction targeted projects - transportation, urban infrastructure, and ACE - collectively they amount to about \$16.0 million, two cents on the tax dollar over five years. At this time, they are all cash projects. He noted that the list also includes various scenarios that reflect increasing the estimate to what might be needed, or restoring projects back to their original schedules. These numbers represent the cash impact on the reserve balances. If this CIP period ends up with a \$1.4 or a \$1.5 million reserve balance, any inclusion of these projects - without some other revenue source - would decrease that amount.

Mr. Rooker said that he is at the point of saying the County should not even worry about transportation because the State is trying to push this expense down to the localities. He thinks they want the localities to pick up the expense - on property taxes - and have it be seamless so they can walk away from significant State expenditures. The State is simply walking away from its obligation. Maybe people around the State need to see the infrastructure fall into disrepair, to see traffic problems not solved, and then go to the source of the problem which is really the State and Federal governments.

Ms. Thomas said when they met with the Speaker of the House who is pushing the idea that transportation be a local responsibility, she pointed out that the states that have put transportation onto local shoulders usually pay for school buildings. She asked him if he was planning the one, was he planning the other, and his response was "no." She just wanted to let the School Board know that the Supervisors had tried.

Ms. McKeel commented that every bit the County picks up takes the State off the hook at the General Assembly level.

Mr. Foley said a lot of the roads that will be needed to implement the County's master plans are not typical VDOT roads.

Mr. Rooker said the County could have done some of those roads with Secondary Road funds, but now there are virtually no Secondary Road funds for construction.

Mr. Slutzky commented that in other states the County could have funded those roads with impact fees, but the General Assembly does not want to give the County the option to have impact fees, or funding for Secondary roads.

Mr. Letteri said the Board is working on the Financial Plan now and that may or may not have an impact on the revenues to the Capital Fund. There is a Planning Commission meeting in January. There will be public hearings on the Capital Program between now and when the Board makes its final decision in March.

Mr. Boyd thanked Mr. Letteri for his presentation – this is just information today, so if any Board member needs clarification on any item, they should contact him.

Mr. Rooker noted that the Board has a list of possible additions. He asked if there is a list of further deletions. He asked about this because the YMCA contribution which has been committed to sounds like it will be requested in the five-year period. He said the Board has adopted a list of priority additions if there are additional funds, so he wonders if there is a list of priority deletions.

Ms. Thomas asked if the recession results in students coming into public school that are now in private school, will the School Board's CIP priorities still be the same for the southern feeder projects to move forward.

Mr. Stokes said if the next enrollment projections show a huge influx of students for whatever reason, they would need to reassess whether there are adequate facilities to house those students.

Mr. Wheeler asked Dr. Moran to address the School's master planning process.

Dr. Moran commented that the Schools are going through a real-time master planning process with consideration of school boundaries regarding where growth is occurring. Multi factors are being taken into account so the plan can be updated on a year-by-year real-time basis - it will also be available at a public level. To answer Ms. Thomas' question, the Schools would do what they always do when there is an unanticipated increase in growth – such as what has happened in the Crozet and Brownsville districts the last five years. They evaluate the growth and sometimes add learning cottages to a school and also look at boundary line adjustments. She said the Schools' have noted an upward trend this year of students using the free and reduced lunch program. They believe that is due to the recession. It has an impact on needs and resources.

Mr. Boyd said these are trying times, and there is no way of knowing what will happen with the State budget next year.

Mr. Koleszar said he thinks there will be another year of this recession until "things actually hit the bottom." Things are going to be a lot worse than they are now.

Mr. Boyd said he thinks the strategy recommended by the staff, which the Board approved, of making this an adjustment year for the CIP, with next year being a full-blown year, "will buy some time to see what is going on in the economy."

At this time, the School Board adjourned its meeting.

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Agenda Item No. 5. Recess. At 4:19 p.m., the Board recessed, and reconvened at 4:29 p.m.

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Agenda Item No. 6. Synthetic Turf Athletic Fields (deferred from December 3, 2008).

Mr. Tucker said that at the Board's meeting on December 3, this item was discussed. It was left with Mr. Slutzky and Ms. Mallek attending a committee meeting along with several staff members from both Local Government and the Schools, as well as some experts from UVA and others. He said it would be helpful to get an update from that committee meeting.

Mr. Slutzky reported that the meeting to discuss the synthetic turf issue included presentations by people from UVA about their experiences with their seven artificial turf fields. Several concerns were identified so neither he nor Ms. Mallek are comfortable recommending that this move forward until those health and safety concerns have been adequately addressed. He said the financial side of this is a separate issue. He suggested that a public hearing be scheduled in January, invite people from the scientific community to make presentations, have a staff report, take public comments, and then make a decision on what is heard at that time. That would give him and Ms. Mallek time to absorb the onslaught of scientific journal articles they have received. The Board could also choose not to appropriate the money; if it did that, he has been told this process will go forward with private money. The School Board

chose not to put any money toward these fields, but they seemed to be comfortable with the health and safety considerations. It is actually the School Board's responsibility to make these decisions. If the Board decides to delay this item, it would not need to spend a lot of time on it today. If the Board wants to vote on the financial aspects of this item, he will then give his thoughts on that aspect. He asked Ms. Mallek if she agreed.

Ms. Mallek commented that she has a "higher threshold" of concern about the safety assurances. Since the turf is a new material, there is no way to know for sure about the safety of that material. The Board was told that the old technology used in making these materials was what caused the MRSA infection situations, all the cuts and abrasions, and what created the need to wear protective clothing.

Mr. Rooker said he met with a representative from UVA – they have seven fields in use. He asked them about heat issues.

Ms. Mallek said they had never measured the heat on their fields.

Mr. Rooker said they hold summer camps and use the fields, and have had few problems with heat. There have had no significant problem with MRSA beyond what is normally experienced on grass fields.

Ms. Mallek said that Dr. Zacherman at Yale considers MRSA to be the highest of all concerns. Triclosan – an antibacterial agent used in the turf – is an endocrine disrupter that affects the way children develop hormonally and neurologically.

Mr. Rooker asked if they spoke with anyone who had used fields like these and if they had experienced any of these problems. He asked if the opinion from Dr. Zacherman was an actual study of the fields.

Mr. Slutzky said staff brought a person from UVA to the meeting to tell about their positive experiences. There are multiple uses of these fields across the country where the users are satisfied. There are also instances where communities are tearing the fields up before their useful life is gone because of public concerns about health and safety issues. That may or may not be significant enough for the Board to make a decision not to go forward.

Mr. Rooker said it would be helpful to get a detailed report indicating where the fields were taken up, how many fields were involved, and the reason for doing it.

Mr. Slutzky said he had not had enough time to gather all of that information together. They just met last Friday. He will paraphrase what Ms. Mallek said. He thinks she would be hard-pressed to vote in favor of these fields due to the health and safety issues. He asked if that is a fair statement.

Ms. Mallek said she is not there now.

Ms. Thomas said she does not believe Ms. Mallek will ever be there.

Ms. Mallek said she is not trying to make a choice for anyone but herself.

Mr. Slutzky said he is sympathetic to Ms. Mallek's concern. It is possible that after hearing and reading more, he would be inclined to vote in favor of these fields, but he is not ready to do so at this time. He thinks the health and safety issues need to be adequately aired in the public. If the Board then decided to go forward the public would know the Board took the issues seriously, had this level of study but still reached the conclusion to go forward. He has not reached closure for himself on these issues. If the other four Board members want to allocate the money today, he does not want to spend time on the health and safety issues. If the Board wants to wait until January, he and Ms. Mallek can put together a coherent dialogue about each of the issues raised in other communities.

Mr. Boyd asked about the financial side of this proposal.

Ms. Mallek said the School Board chose not to invest in the synthetic turf fields, so who would do the renewal (a significant amount of money) in eight or ten years. Where would that money come from? If the Schools are not investing in it now, they might say "you bought it, you fix it."

Mr. Rooker said he had the same question. He understands the Schools will build and use the fields regardless of whether this Board votes "yes" or "no" today. The money will come from the CIP Fund – it is non-School operating money, and it is non-Board operating money. The only issue is whether General Government contributes 14 percent of the expense out of the CIP so that non-school groups can use the fields. That is the only decision because they are going to be built.

Ms. Mallek said she would like to have a clarification about why children are not allowed to use fields which are public property. Is it due to their condition?

Mr. Pat Mullaney said there are various levels of fields used. The County generally has access to all the School's fields except the stadium game fields, but they are used occasionally by community groups. He said school game fields are protected so they are in top quality for high-level competition. If community use was added to those game fields they would be bare dirt.

Mr. Slutzky asked if they became artificial fields, if they could be used. Mr. Mullaney said there would be unlimited use of those fields. The other issue concerning community use of a school game field is rainouts. It is difficult to work around a high school schedule in the event of rainouts, but with turf fields rain is not an issue.

Mr. Dorrier asked the percentage of competitions that are rained out.

Mr. Fitzgerald Barnes said it varies from year to year. This year about 30 percent of Little League games at Monticello High School were cancelled because the fields would not have been useable by the high school varsity teams after those games. A stipulation of the main donor for these fields is that the fields must be used for community use. That is why the City of Charlottesville was included in the donation, as well as the three high schools.

Mr. Slutzky asked if the Board decided not to contribute money toward the fields, but they were built on public land, would the public use happen. Mr. Barnes responded that once the fields are put in, as long as the School Board's policy did not prohibit it, he would be inclined to let kids use them. He understands the money in the CIP was to light the practice fields at Monticello and Western Albemarle. He said that in this situation there are already lights and this gives an additional use. At this time, restroom facilities at Monticello High are a problem. On Saturday mornings when there are youth sports, parents try to enter the school to use the restrooms. Moving the money to this project would enable a 24/7 use of the facility. He said another thing hurting them is they can no longer use herbicides to kill crabgrass; so they can no longer grow the type of Bermuda grass they have been using. That has made use of the current field even less available than in the past.

Mr. Mullaney said this proposal is good for Parks & Recreation because if the two other fields are lit they have to be put on Parks high-level maintenance schedule. That could cost as much as \$12,000 per field per year and there is not the manpower now to add more fields. He said Parks wants to be a partner in this project.

Mr. Slutzky said the CIP money could be reallocated for a different purpose, and let the private sector install the artificial turf if that is what is decided because there was no contribution from the County or from the School Board. Good use could still be made of that CIP money.

Mr. Boyd asked about the lifespan of the artificial turf fields. Mr. Barnes responded that the best guess at this time is about 10 years. They are looking at two types of plans. In their maintenance budget, they will put aside annually the money saved on labor, irrigation, fertilizer, etc. Second, the School Division will set up a usage fee for the fields, and a portion of that money would be set aside for replacement of the fields. He said that when these fields were discussed five years ago their cost was \$1.2 million. The cost has gone down now, so in 10 years, the cost for replacement will likely be less.

Mr. Slutzky said if the Board decides not to provide the funding, how likely is it that the fields will be put in anyway. Mr. Barnes responded that it would delay the projected start time for construction, as it is a tough economy. He said it is their goal to continue fundraising for this project.

Mr. Slutzky suggested that the decision be delayed until January in order to get some better information on the health and safety concerns. He would like to get a deeper look at those issues.

Mr. Boyd asked Mr. Barnes if this would impact the "deal" currently on the table. Mr. Barnes replied that there is a time issue because of some pricing things they have been dealing with. He said all three high schools are still taking with some potential donors. It is difficult to know what to ask them for. The longer the wait, the harder it is on fundraising efforts. He has a meeting scheduled with a potential donor tomorrow, and had scheduled the meeting for that date because he had hoped to have some number to present to him. He said as far as the public is concerned, he can find people who are against the proposal and just as many who are in favor. He said that Monticello started a brick campaign in October. With parents making tough decisions about their finances in these difficult times, they have contributed \$18,500 in 60 days. That is remarkable. He said these parents really support this facility for their kids.

Mr. Mullaney said the Parks & Recreation Department has a long history of partnerships with the Schools. The Schools are parks in Albemarle County; a lot of things are done together. Parks puts in playgrounds and inspects those playgrounds. This is just another example of a partnership between the Schools and the County where they can leverage very efficient Parks and Recreation facilities for residents. The \$225,000 could be used for other Parks capital needs, but looking at the budget for Parks over the next five years, there will be few quality projects they will be involved in. He emphasized that Parks and Recreation wants to be a part of this project.

Mr. Rooker said he had received a letter from Dr. Vito Perriello in which he indicated that he serves as Chairman of the National Federation of State High School Associations Sports Medicine Advisory Committee, Chairman of the Virginia High School League Sports Medicine Advisory Committee, and an ex-officio member of the National High School Football Rules Committee. He says they have discussed this issue at length, most recently at the NHFHS October meeting, and they concluded that the fields are safe if certain precautions are taken; he sent a subsequent letter about the precautions to take. He said Dr. Perriello has been with Pediatric Associates for 35+ years and has cared for many children in the area. He is one of the medical people in the community who is also involved with sports medicine and he respects his opinion.

Mr. Slutzky said he also respects Dr. Perriello's opinion, but by his own admission he is not an expert on turf fields. He said the head of Sports Medicine at Mt. Sinai Hospital in New York, along with nine PHD toxicologists and epidemiologists, from Yale University who have looked at this issue in some depth, as well as Dr. Pete Meier from Charlottesville, have all made it clear to him that they think turf fields are a really bad idea. There is a school of thought on both sides of the discussion, and that is part of his struggle. He respects all of these people and takes all of them seriously. He had hoped for more detailed information before actually voting on this matter.

Mr. Boyd said the more time spent on this, the more detail there will be on both sides, and he is not sure that will resolve the issue for Mr. Slutzky.

Mr. Rooker said at this point the fields are going forward anyway.

Mr. Slutzky replied that he is not sure about that. If the Board held a public hearing on the health and safety concerns it is possible the community would choose to respond to that by going to the School Board and asking them to wait. That has happened in other communities. He said that without airing those concerns, the Board might go forward and then there will be a backlash later. It also might never materialize.

Mr. Boyd said given the time the School Board has spent on this issue and the time this Board has spent on it, there has been a fairly reasonable hearing on it. He does not think further airing will turn up anything new, there will still be pros and cons on both sides. He is ready to move forward so Mr. Barnes can leave this meeting and know whether he has to raise an additional \$225,000.

Mr. Slutzky said he has spent time reviewing the technical information, and Ms. Mallek has. He asked him how much information Mr. Boyd has had the opportunity to review.

Mr. Boyd replied it has been sufficient enough to realize there are two schools of thought on the issue.

Ms. Thomas said rather than asking Mr. Boyd, because Mr. Slutzky is asking for more time, what kind of information does Mr. Slutzky think he could bring back to the Board in a couple of weeks that they do not already have.

Mr. Slutzky said that is a fair question. His issues of concern include MRSA; he has received conflicting information about whether it is more likely or less likely to be a health threat attributable to turf fields. He said there was a study done which was cited by the pro-field advocates from Norway that appears on the website of this organization to support the turf fields. That Norway study appears to vindicate the turf fields, but there are two paragraphs of the three-paragraph conclusion that were accidentally omitted from the version that is posted on that website. When he found that out from the people at Yale, he asked to get a copy of the actual report. He does not know what the report said, but one group told him it is silent on some real risks, and other people have said the damning paragraphs were conveniently omitted but he has not seen that final report. There are pieces of the puzzle that have been raised through the initial inquiry that he personally would like to have more information on. If the Board decides to go forward today, he will probably look at these things more, but he does not know what the point of it would be if there is no opportunity to discuss it and air it publicly.

Ms. Thomas said that is only one concern.

Mr. Slutzky said MRSA is one concern where he was told by some people that there are studies that show there is a significant risk. The second is the findings of the Norway study where one group is saying the Norway people have determined that the fields are safe, and the other groups are saying Norway has banned the use of the fields based on this one study. With respect to the heat issue, they were told at the meeting last Friday that heat is not really a problem because while the surface temperatures of the artificial turf can reach 160 degrees or above, a couple of feet off the ground the ambient air temperatures are relative to normal and that is why people do not seem to experience heat stroke or other negative health effects associated with the fields. When he took that information back to the epidemiologist they said he was missing the point; at 160 degrees on the surface, some of the constituents of the ground up tires that the material is actually made of volatilize and that from the volatilization there are exposures to numerous toxic chemicals that are then bio-accessible to people using the field. He asked them to show him the studies that support not just that this has happened in a laboratory setting, but that it has actually happened in the fields. He has not gotten that information yet. The more he looks at this, the more he finds that he does not know.

Mr. Rooker asked what the UVA people said about these issues.

Mr. Slutzky said that with respect to the temperatures, he asked the person who was enthusiastic about there not being a problem and he said they had never taken the temperature on the fields – it was not thought of as an issue. He asked if this person knew that in many jurisdictions when the useful life of the field is over and must be disposed of, some states required that they be disposed of as hazardous waste and in other states as special waste. He asked if they had taken into account that expense, and what it implies about the material. The manufacture spoke up and said they take the old turf away when they replace the field so it is not a problem for the localities. Mr. Slutzky then inquired if they dispose of the material as hazardous waste and this gentleman replied that they do. There are a lot of issues that he does not think the UVA representative was aware of.

Mr. Rooker asked what UVA said about MRSA, as they have student athletes using those fields as well as summer camp participants.

Mr. Slutzky said he did not get the impression from the University representative that they had specific data one way or the other on MRSA. He has heard an argument that MRSA incidents are attributable to skin scrapes that occur with the use of these fields. He has read that certain athletes in order to make their uniforms more comfortable shave their skin in certain places, and that could be the reason for the increase in MRSA and that it has nothing to do with the fields themselves. A lot has been attributed to the positions they played because the uniform padding is different. When he brought that up, he was told that those kids are more likely to get surface scratches because of the positions they play.

Mr. Rooker commented that there were a lot of cases of MRSA at Albemarle High School this year, and they think it was acquired in the locker room.

Mr. Slutzky indicated that the Yale people identified the MRSA issue as the largest among several concerns recognized with these fields. He keeps learning more, but still does not know enough to give the Board members an idea of what he sees as the definitive answer.

Mr. Barnes explained that the product being looked at for purchase has anti-microbial agents in it to prevent MRSA. He and his two colleagues think most MRSA cases come from poor hygiene in the locker room and from the athletes not doing frequent uniform laundry.

Mr. Mullaney said the studies that staff looked at, the McNitt Study from Penn State, indicated that MRSA was not even present on the artificial turf.

Mr. Slutzky said that person is part of the camp that says MRSA is not an issue with turf fields. He said he is struggling with whether the issues are an obstacle to moving forward.

Mr. Dorrier said he does not feel the Board members need to be experts on this subject; he votes on issues as to whether they are good for the community. He does not have time to become an expert on this subject. The School Board recommended it, the athletic director recommended it, the Parks manager recommended it, the kids who play football and sports on these fields are recommending it and there is a need in the community requiring that something be done. He thinks the parents and the children overwhelmingly want it. The manufacturer came in and talked about it, and he seemed to be a reliable person. He has no reason to reject what he said, and he thinks there is good reason to support it. He respects Mr. Slutzky's interest in learning more about the turf issue because it is his profession dealing with environmental things. He said the leverage of \$1 for every \$10 put up by outsiders is a pretty good return on the County's investment. He thinks there are overwhelming reasons to support going ahead with it rather than overwhelming reasons to reject it. He then **moved** that the Board allocate \$225,000 for the proposed synthetic turf field project from the Athletic Field Study and Development category in the CIP, and also authorized the County Executive to develop an agreement with the Superintendent of Schools for the use of those fields.

Ms. Thomas said before the Board votes she will say that she appreciates the research that has been done. The leveraging of the money is a significant issue for her. It is impressive to her that what is being done is making better use of CIP moneys that have already been spent. The restrooms and lights already on the fields will be able to be used more. She has received comments from both people who love and people who hate these fields. She can appreciate comments that this goes away from what is natural, so will be creating a harder surface with more runoff. There is actually a lot of runoff from the clay fields in existence now. She agrees that MRSA is a big problem, but she has not seen anything that ties it to these fields as opposed to hygiene practices in the locker rooms. To her the biggest issue is the heat. She has to have faith that they will be watching the heat situation. After putting all this together she comes out voting for this request.

Mr. Rooker said he was "on the fence" about this issue before, but he is swayed by opinions from people such as Dr. Perriello with great credentials and his own children's experiences that say these fields are safe, and the satisfaction and lack of problems UVA has experienced with the fields. If the County were paying the total cost, he would likely wait for more information and a public hearing, but because they are not he is prepared to support it today. Based on those things and what Ms. Thomas said, he is prepared to support this. He thinks the fields are going in anyway so he does not think that delaying the vote for a month will do anything other than make it more difficult to complete fundraising in time to have the fields in place for use in the coming season.

Mr. Boyd said he agrees with the previous speakers and does not want to miss this opportunity.

At this time, Mr. Rooker **seconded** the motion.

Mr. Slutzky said he will vote against it, but he does appreciate the positive reasons it has appeal. He is not convinced that there are actual human health and safety considerations that would make him decide against it, but he is not comfortable yet with children playing on a surface that has to be disposed of as hazardous waste. He is also reluctant, independent of the human health and safety concerns to spend the \$225,000 out of the Capital budget when it appears that private fundraising would probably pay for the entire project. It is for those two reasons that he will be voting against it.

Ms. Mallek stated that she appreciates all the comments made, but just does not agree now.

Mr. Rooker mentioned that Mr. Mullaney has made it clear that the money which was budgeted to increase field time for the community in other ways will increase field time to a greater extent with a lesser investment than as the money was originally budgeted. From that perspective, not only is money being leveraged but it is being used in ways that increases the public use of fields for a lower cost. Also, he said that dirt is not completely clean. An artificial field cannot be compared to nothing; it has to be compared to what it is replacing. Efforts to try and keep grass growing using fertilizer are not without problems.

Roll was called at this time, and the motion passed by the following recorded vote:

AYES: Ms. Thomas, Mr. Boyd, Mr. Dorrier and Mr. Rooker.

NAYS: Ms. Mallek and Mr. Slutzky.

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Agenda Item No. 7. Five-Year Financial Plan - Discussion and Action (deferred from December 3, 2008).

Mr. Tucker said that last week the Board indicated it wanted to see a revenue-neutral approach as it relates to the Five-Year Financial Plan. Since there is no clear definition of that term, staff created a scenario based on its own interpretation. He said attached to the Executive Summary is a list of assumptions from November 10 that the staff made, including alternatives to the revenue-neutral approach. Mr. Slutzky had asked what the tax rate would be if all of those items were restored and funded next year. It would take a 91.5-cent real property tax rate. Part of that is the 1.5 cents added for a "rainy day" fund.

Ms. Laura Vinzant, Senior Budget Analyst, said staff began with the proposed Five-Year Financial Plan which was presented in November and adjusted revenue downward based on updated revenue projections that the Board saw last week as part of the First Quarterly Financial Report for FY 2008-09. On the expenditure side, with the additional revenues that would be generated by going to this revenue-neutral budget, there were three expenditure priorities. The first was to expand the "rainy day" fund to a full 1.5 cents, the second was to restore funding to the Capital program, and third was to restore other expenditure priorities that were part of the reductions made during the 2009 budget or that were previously included in the adopted Five-Year Financial Plan.

Mr. Boyd said he is confused about the starting point because the Board had reduced this year's operating budget mainly through frozen positions of \$1.0 million. He asked if staff is starting from that smaller amount and then putting back the funds needed to fund all 34 of those positions.

Ms. Vinzant said "no." That would have put the budget back to what was adopted for FY '09 which included some operating reductions and 17 frozen positions. She said the expenditure priorities the Board would be considering here are – the FY '09 budget incorporated some operating reductions and there were 17 positions either frozen or eliminated making a total of 35, so 12 more would need to be frozen to achieve the financial model as proposed a couple of weeks ago. She noted that the City/County Revenue-Sharing Agreement has increased by \$4.0 million. If revenue is kept neutral, there is still a loss of \$4.0 million.

Mr. Rooker said there is also a "rainy day" fund included that was not included in the adopted Five-Year Financial Plan.

Ms. Vinzant said there are other things the Board could restore funds for, such as: frozen positions, operational expenditures, salary increases for employees, increases to agencies, and Board priority expansions such as transit and environmental initiatives, and the operating impacts of capital.

Ms. Thomas asked if none of these things are in the 91.5 cents. Ms. Vinzant said these are things that could be added back with any additional revenue received. Mr. Tom Foley, Assistant County Executive, said if all of those things were added back in, it would take 90 cents plus the "rainy day" fund of 1.5 cents.

Ms. Vinzant presented a slide showing Scenario No. 1 on the revenue-neutral position. It would require an additional 1.7 cents bringing the tax rate up to 76.2 cents. That would generate \$1.3 million in additional revenue above the proposed financial plan. She mentioned that the 76.2-cent tax rate would actually generate \$2.6 million in additional revenues, but first they had to offset the revenue reductions that were made to the model as a result of the revenue update from last week.

Mr. Slutzky said that because there was not a sufficient safety net, the safety net is being created after the fact which means there is less money available.

Mr. Boyd asked if the 60/40 split has been factored in. Mr. Foley said staff will explain that in just a minute.

Ms. Vinzant said that in total that generates an additional \$1.3 million. The first priority of the Board was to set aside 1.5 cents in a "rainy day" fund. The 1.5 cents is equivalent to \$1.3 million.

Mr. Slutzky asked if everyone reached the same conclusion that staff did that the 1.5 cents was a take away and not an addition. He thought the Board had talked about it being additive, not taken away. If the 1.5 cents is recognized as being needed but is taken away from the revenue-neutral status, then it is not revenue-neutral. He thought the Board was trying to discern a rate to be revenue-neutral and if the

Board decided to add an additional 1.5 cents on the rate to make sure that if there is a further downturn, there is some insulation, it would be added on.

Mr. Rooker stated that he thought the Board was looking for a rate that would provide the same level of revenues next year to start with that are now projected for the current year. Spending that money by putting it in a "rainy day fund" or by offsetting the additional \$4.0 million that goes to the City, it would be on the expense side. Mr. Foley said the key here is getting this to revenue-neutral on increasing revenues, and then get to how to spend that revenue. Staff will give a tax rate in a minute. This will make more sense as the presentation proceeds.

Mr. Dorrier said if this is starting from scratch, scratch would be what the rate is now. The Board would need to know what the rate would need to be boosted to, to accommodate expenses.

Mr. Slutzky said if the Board started with the current rate the County would be millions of dollars short of where it had expected to start the year last year.

Ms. Mallek said to get to property-tax neutral the rate would have to be 74.5 cents. Mr. Foley clarified that 76.2 cents is needed to offset all the revenue loss from the adopted budget.

Ms. Vinzant explained that the proposed "rainy day" reserve at 1.5 cents is equivalent to \$2.3 million, and \$0.5 million was already included in the Five-Year Financial Plan for this "rainy day" fund; this scenario only generates another \$1.3 million so the "rainy day" reserve is still \$0.5 million short of being fully funded. If that was the top priority, there would be no revenue left for other priorities. She said the second scenario is an offset of the City/County Revenue-Sharing Agreement, which would require an additional 2.8 cents on the tax rate, bringing the total tax rate to 79 cents and generating \$4.3 million in additional revenue above the "revenue-neutral" position just discussed.

Ms. Vinzant noted two charts on the screen and said staff started with \$222.8 million total revenue in the proposed Five-Year Financial Plan in November; 1.7 cents was added to offset the revenue just added and also to bring this up to the revenue-neutral position with the 2009 adopted budget. Another 2.8 cents was added to offset the Revenue-Sharing Agreement, which in total gives \$5.6 million in additional revenues and it increases the tax rate 4.5 cents.

Mr. Boyd asked for a clarification on the Revenue-Sharing item. He thought it jumps up by \$4.0 million this fiscal year, and he asked if there is not another \$4.0 million in January. Ms. Vinzant said "no." Mr. Tucker confirmed that it would be due in the 2010 budget.

Mr. Slutzky asked if the \$4.3 million in additional revenue beyond what staff had proposed before includes putting 1.5 cents aside as a "rainy day" fund. Ms. Vinzant said that will be seen in the next slide.

Ms. Thomas asked if the impact of the Revenue-Sharing Agreement for the next year is 2.8 cents on the tax rate. Ms. Vinzant said that is correct.

Ms. Thomas asked for the impact of the total. Ms. Vinzant said the total of Revenue-Sharing is \$18.0 million.

Ms. Thomas asked if it is still 10 cents even with the 2.8 cents.

Mr. Rooker said that is the amount on the tax rate which is necessary to fund the increase.

Ms. Thomas asked if it is still 10 cents on the tax rate.

Mr. Rooker responded that on the lag basis, because assessments have gone down, it actually ends up being closer to 11 cents on the budgeted year tax rate.

Ms. Mallek asked if it takes 2.8 cents extra to achieve the 10 cents when this was assessed two years ago.

Mr. Rooker said because the payment is on a lag basis and assessments fell, it will be closer to 11 cents on the tax dollar in the budgeted year rather than 10 cents.

Ms. Thomas asked what she would tell constituents about the 2.8 cents.

Mr. Rooker said the 2.8 cents is the amount needed to fund the increase in Revenue-Sharing for next year. The increase in the payment to the City is \$4.3 million, and the amount of additional money needed in order to write that check is equivalent to 2.8 cents on the budgeted year tax rate. He asked if it is completely clear in the Revenue-Sharing Agreement that land use assessment rates cannot be used for the land that is in land use. Is that ambiguous; is it an arguable point? Mr. Davis responded that it is pretty clear.

Mr. Rooker said it is a hugely costly thing. The combination of land use, which costs the County about \$18.0 million each year, with an \$18.0 million check to the City, a lot of which is computed on land in land use for which the County is not paid the full rate.

Mr. Slutzky said there is one scenario under which that would shift - if the only condition of eligibility for land use was that the land be in a conservation easement, the value of that land would actually go down in terms of the basis for computing Revenue-Sharing. Mr. Davis pointed out that if the

land is in a conservation easement rather than in land use, the assessed value of the property would be at land use value, rather than at fair market value.

Mr. Foley said the next slide shows what revenue would be left if the "rainy day" fund was taken off the top. Ms. Vinzant explained that the second scenario starts with an additional \$5.6 million over the proposed plan the Board saw in November. First, the "rainy day" reserve would be funded with an additional \$1.8 million to go with \$0.5 million which is already in the reserve. The most recent revenue projections for FY '09 the Board saw last week included further reductions in the current year. Some of these reductions were already incorporated into the proposed Five-Year Financial Plan, but staff has now adjusted the Plan to incorporate all the reductions. Some of these reductions are to revenue sources that are not shared with the Schools and are not fully recovered by an increase in the tax rate – which is shared. As a result, she explained that \$0.7 million is needed to maintain a positive balance of revenue over expenditures in the General Fund. That amount is not available for other priorities due to the split. That leaves \$3.1 million available for either Capital projects or operating priorities. If it were all used for the Capital program, it would return two cents to fund capital projects but there would not be anything left over to cover any associated operating impacts.

Ms. Thomas said she thought the \$5.6 million was to cover Revenue-Sharing. Why did this slide start assuming there was \$5.6 million to do something with? Ms. Vinzant said Revenue-Sharing was already covered in the initial plan. Mr. Foley said it was done to equate the tax rate offset, which is what the Board requested.

Mr. Slutzky asked if that money is now available to restore some of the service deficit. Ms. Vinzant said one could argue it was caused by the \$4.0 million to Revenue-Sharing.

Mr. Rooker said that would put the tax rate at 79 cents. Ms. Vinzant said that is true.

Mr. Boyd pointed out that originally the Board was talking about 3.5 cents to keep the real estate tax bills on residential property the same. What is being said is that because sales taxes and BPOL taxes are down, that burden is going to be put on residential taxpayers.

Mr. Rooker said the \$4.8 million increase in what the County must pay the City is, in itself, 2.8 cents on the tax rate.

Mr. Boyd emphasized that this is not the fault of the residential taxpayer.

Mr. Rooker asked Mr. Boyd what other revenue source he would go to in order to get the \$4.0 million.

Mr. Boyd said he would not do that, but would decrease expenses as was originally planned.

Ms. Thomas said expenses are being decreased.

Mr. Slutzky pointed out that the 90-cent tax rate would allow the Board to not decrease expenses; anything on the tax rate below 90 cents represents a decrease in expenses.

Mr. Boyd said it is not always a decrease in expenses, but not moving forward with some increases.

Mr. Slutzky said that last year when the Board determined what it would be expecting to spend in this fiscal year, there was an assumption about every category. In order to fulfill the expectation it created when it adopted the Five-Year Financial Plan, staff had said the tax rate for this year would have had to be 90 cents just to keep even.

Mr. Boyd said that was to fund all of the new initiatives the Board had planned to do.

Mr. Slutzky said in order to fund what the Board anticipated funding when it adopted the Five-Year Financial Plan last year, the Board asked staff to tell it, from a revenue-neutral perspective and not a service-neutral side, what the tax rate should be in order to merely have the same amount of revenues to offset those reductions attributable to the State cutting back this year, the Federal Government cutting back this year, the additional \$4.0 million for the Revenue-Sharing Agreement, etc., etc. The answer is coming back at 79 cents. Those are the two rates; one is revenue-neutral and the other is service-neutral.

Mr. Boyd said that is a sizeable tax increase on the real estate taxpayers in the community.

Mr. Slutzky answered that it is a sizeable tax decrease in the sense that the tax revenues people are paying are less.

Mr. Dorrier pointed out that the Board would be raising the tax rate eight cents in order to bring in \$1.2 million per penny for a total of \$9.6 million to keep the budget revenue-neutral.

Mr. Boyd said "no", it would be to achieve the revenues the Board had hoped would be achieved. It is not revenue-neutral because nothing is revenue-neutral.

Mr. Rooker said he thinks it is helpful to see this. There are two different things being discussed. The 79 cents cannot be equated to the 90 cents. The 90 cents is basically where the Board would be

under the current Five-Year Financial Plan if it budgeted according to that plan. But there have been massive reductions in revenue, so the question is how to respond to that.

Mr. Dorrier said he agrees with Mr. Boyd about putting it on "the backs of the taxpayers."

Mr. Slutzky said the Board is not talking about setting a tax rate.

Mr. Rooker said that is not what is being done here; this is just a discussion.

Mr. Slutzky said he does not think anyone is proposing a 90-cent tax rate for this year; he certainly is not. They are just trying to understand what is being given up, and what the revenue picture is. Staff has done a good job of going through this analysis and presenting the information that was requested by the Board.

Mr. Rooker said 74.5 cents is the rate which is tax-neutral to the average residential real property owner. That rate would leave the County with 47 frozen positions by 2010, there would be a \$100.0 million reduction in the CIP and there would be no new initiatives such as transit or affordable housing funds. He said that rate is the most bare-bones rate that could be considered, and it would not allow for any kind of reasonable contingency. This year there have been continued declines in revenue as a result of the recession. The projection is that the recession has not hit its worst point. Some of the indexes on housing prices indicate they may fall another 10 to 20 percent before this recession bottoms out. The question is how to build a reasonable contingency into the budget. If the Board tries to do it with a 74.5-cent tax rate, the Board would need to freeze many more positions in order to make up the 1.5 cents.

Mr. Slutzky said there would also have to be further cuts to agencies when they are already hurting financially.

Mr. Rooker said the State has considered a two percent cut in employees. The County's 47 frozen positions are about eight-plus percent of General Government's total employee count. The Board could budget an increase in removed positions or layoffs, if it had to be achieved in that way. That would be three times what is being budgeted by the State at this time. He said at 74.5 cents there would be no contingency to cover anything that might go wrong during the year.

Mr. Boyd said there actually would be some contingency. Mr. Tucker said it is \$0.5 million.

Mr. Rooker said he is not comfortable going into this budget session with a \$0.5 million contingency when the budget itself is being "cut to the bone" to start with; he encouraged the setting of a tax rate which would support a reasonable contingency.

Mr. Boyd said he is taking a different approach. He thinks the Board has to be as fiscally conservative as possible so as not to hurt the citizens.

Mr. Rooker asked if it is fiscally conservative to not budget for a contingency.

Mr. Boyd said the Board could possibly be facing more difficult times next year. If that comes about, the Board could put additional tax burdens on the citizens today, or look at additional reductions in spending next year. That additional spending could be a contingency. The Board either has a revenue problem or an expense problem.

Mr. Rooker replied that he thinks the Board is trying to look at it on both sides. Cutting the Capital budget in half is a significant budget cut. He noted that this represents a 56 percent cut for General Government, and a combined 42 percent with Schools considered.

Mr. Slutzky said the Board needs to keep in mind, as it struggles with this difficult circumstance, that two years ago when the tax rate was 74 cents, the Board decided to cut the rate by six cents instead of taking that money and "putting it in a lockbox" to anticipate contingencies such as what have unfolded. If that had been done at that time, the Board would not be in the dire circumstances that it is in now. Now that there is a downturn in the economy, the Board is struggling with asking the citizens to give that money back.

Mr. Boyd emphasized that the Board reduced that tax rate so the increase in the taxpayer bills was only 18 percent instead of 30 percent. There was not a tax cut; it just lessened the amount of increase to the taxpayers. There was still a sizeable increase in revenue for that budget Mr. Slutzky is talking about.

Ms. Thomas said it was a tax rate cut.

Mr. Rooker said this proposal assumes no funding for the Pantops fire station. The Board is not even talking about it. Several years ago Mr. Boyd was a strong supporter of moving that project forward quickly. He said fire services are not being expanded, and the Ivy fire station is also put way off.

Mr. Boyd responded that the County extended the contract with the City to cover that service.

Mr. Rooker said the City is going to be shutting down the station that provides that service.

Mr. Boyd said he heard they were not going to do that. They had planned on that because they have the same budget constraints as the County does.

Mr. Rooker said he had heard that the City's new building on Fontaine Avenue which will house that is going forward, so from a response standpoint it puts that unit much further away.

Ms. Thomas commented that she was recently on the scene of an incident, and the respondents came from City, as the firefighters for the station that covers Ivy were on some administrative job. She said the City is not very responsive in the Ivy area.

Mr. Boyd said this can be discussed *ad nauseam*, but it will not change his thoughts.

Mr. Dorrier said he thinks Mr. Rooker has a point that a reasonable contingency is needed. It is important in this year because no one knows what to expect.

Mr. Rooker said he will suggest that a rate of 76 cents be considered; 74.5 cents is tax-neutral and the County should operate on that budget, but 1.5 cents is needed in additional contingency money because the economy is still falling. When he looks at the cuts which have already been made - which are very significant - it affects nine percent of the workforce in the County. He thinks that rate would be a frugal, fiscally prudent and conservative approach and the Board would be starting with a tax-neutral budget, but would be adding a penny and a-half to deal with contingencies that are likely to present themselves in the current economy.

Ms. Thomas said when talking about putting burdens on the taxpayers, at that rate the 2.8 cents Revenue-Sharing burden on County operations in a way that is not productive either. That is just lost money. She may think Revenue-Sharing is a good program, but it is certainly money that is just gone out of the County budget. If the Board were going to be prudent it would add enough to the tax rate to cover that Revenue-Sharing amount, because that is an unfortunate holdover from the assessment boom of two years ago. It is not money the Board has in hand now. If that is taken off the top, as has to be done, it reduces the budget all the more.

Mr. Slutzky said the Board needs to prepare for two contingencies: one is the contingency of an additional decline in the revenue picture, and, the second would be a contingency for the impact of the downturn, not just on residential property owners, but on the community constituents who cannot afford to live in a detached, single-family residential house. The Board has heard that the demand for food stamps in the last year has about doubled. There are service agencies in the community that are proposed to have significant reductions relative to what they are going to need.

Mr. Boyd said that there are no reductions at all as the agencies are being funded at the same rate.

Mr. Slutzky said the Board has talked about eliminating the additional investment in transit and affordable housing which would largely impact the members of the community who are not even in a position to be able to pay this property tax. He said the Board needs to be prepared for other contingencies. If there were an increase in crime, or in other social costs associated with the downturn in the economy, the costs would be felt in the whole community. If the budget does not provide enough funding to address some of those social service needs, he thinks "we're going to end up paying in ways other than just through property tax bills."

Mr. Dorrier suggested just backing off another five percent on the entire County budget.

Mr. Rooker said the proposed starting budget provides no raises to employees, 47 frozen positions by the end of FY '10, and cutting \$100.0 million off of the CIP. If all of those things are done and the Board tries to provide a contingency of 1.5 cents, a rate of 76 cents is needed.

Ms. Mallek said that takes away the extra penny the Board was going to put in the FY '10 CIP.

Mr. Boyd said the Board could also look for further reductions and savings in the budget and put that into the contingency fund. He asked how much had been cut from the current operations budget including frozen positions. Mr. Tucker said including the Schools it is about \$4.9 million.

Mr. Slutzky said he had already mentioned two contingencies that should be considered. A third would be to add in the opportunity cost of cutting \$100.0 million from the Capital budget when construction costs will probably be lower than they will be for a period of time particularly by leveraging Federal funds which may be available in the near term. That contingency might be put into the rate, and then if Capital budget opportunities come about during the year some of that \$100.0 million could be restored to take advantage of reduced construction costs or leveraging opportunities with the Feds. If that contingency is not included when the Board sets the tax rate, it would have to come from further staffing cuts or other kinds of dollars. He asked Mr. Rooker his thoughts on this idea.

Mr. Rooker said he thinks the Board has to try and achieve a reasonable balance. No matter how you look at it, the budget is being cut significantly. However, if those opportunities present themselves, the Board needs to look at the present CIP and perhaps reallocate within it to take advantage of leveraged opportunities. He is not willing now to suggest that the Board further increase the rate to provide an additional contingency beyond what would be about a penny and three-quarters counting the \$0.5 million. If additional revenue shortfalls do not occur, then some of the CIP could be restored. He thinks the Board should try to achieve as close as possible a tax-neutral budget to the residential homeowner, but about a penny and a half of additional cushion is needed because he does not think the recession has bottomed out and revenues may end up even worse than projected.

Mr. Slutzky proposed that the Board accept the revenue-neutral rate which is 79 cents, not the 91.5-cent service-neutral rate. He said the significant cuts should be maintained with a few exceptions, such as the social agencies, etc., so the Board has the latitude during the budget process to allocate some of that to either the increased decline in revenue, or if the Board feels the need to address the social services contingency he mentioned earlier, it would be in a position to address that. Also, if leveraging opportunities for Federal dollars become available under the new administration, the Board would have the opportunity to do it. He asked if Mr. Rooker would be comfortable operating on that basis for the purposes of staff bringing a budget forward for consideration.

Ms. Mallek said considering the shortfalls that have already been addressed, not including the \$4.8 million the Board heard about last month and the \$7.2 million it learned about last week, the small amount of contingency in the budget now is not going to be enough. She was told recently that borrowing in the middle of the year is the worst thing that a locality can do because the rate is high, or a massive number of people would have to be laid off. At one point, the School Board talked about laying off 150 teachers in order to meet the \$10.0 million shortfall; that is a crippling approach to think about.

Ms. Thomas said she has already spoken for the City-County Revenue-Sharing program that has to show up somewhere in the budget. At the 74.5 cents the Board is still proposing a three-cent reduction in the Transfer to Capital. To her that seems to be poor governmental leadership. To cut the transfer that much in a time when the County could get more "bang for the buck" than it probably has ever gotten on its capital expenditures does not seem prudent. She noted that bids are down at least 12 percent and some are down more than that. It is also a way to give people jobs, and some hope and confidence. She appreciates the conversation about needing a bigger "rainy day" reserve, particularly at this time, since the budget won't even be established for another three months. She would be comfortable with the 79-cent rate. She said one thing that leverages money the most is the money given to the non-profit agencies because they do community fundraising of their own which multiplies that money. It is only one-third of a cent if the Board provides a four-percent increase to the human service agencies. She is on the boards of a couple of these groups and she knows that funding is not coming from the public as usual. Their end-of-the-year donation appeals are not producing much money, but they are producing some, so it is still leveraging the County's contribution. That is one-third of a cent she is loath to give up because she does not think it is a good governing decision. She thinks the Board would be stupid to cut that small amount out of the budget. She said if it adds up to that 79-cent rate she would be happy to have brought to the Board with the budget proposal.

Mr. Dorrier said the Board won't be setting the tax rate until next April.

Mr. Rooker said that is correct. This discussion today is for the rate the County Executive's proposed budget will be presented on and also for the Five-Year Financial Plan.

Mr. Slutzky asked Ms. Mallek how she feels about the proposed rates.

Ms. Mallek said she would rather have the extra contingency amount whether it is used for a contingency or for capital. She also had considered the three-tenths of a cent for the human service agencies because she doesn't feel a good enough job was done last year to provide a safety net for those people, caseloads are up and only getting higher.

Mr. Rooker asked what rate Ms. Mallek would want the Five-Year Plan to be built on. He said there are three rates to be considered: 74.5 cents, 76 cents and 79 cents.

Ms. Mallek said she'd rather start at 79 cents and see how it turns out.

Mr. Slutzky asked Mr. Boyd if he would be comfortable with that rate.

Mr. Boyd said that would be an eight percent increase in tax bills to property owners in a recession where people are being laid off from jobs, and all the other things that are happening.

Mr. Rooker said it is eight cents.

Mr. Boyd said he had said "eight percent." He is talking about the percent increase in the tax bills, not the rate. It can be kept neutral at 74.5 cents, but Mr. Rooker is adding 5.8.

Mr. Rooker said "no", it is 4.5 and that is about six percent. He said 76 cents would keep the tax rate neutral to the residential property owners plus provide a 1.5-cent contingency for future revenue reductions based on the recession situation. Mr. Foley said it would take 76.6 cents to get to the full 1.5-cent "lockbox."

Mr. Rooker asked why adding 1.5 cents to 74.5 would equal 76.6 cents. Ms. Vinzant said that wouldn't account for the revenue shortfall that will be experienced even at the 74.5 cents.

Mr. Boyd asked the amount of the revenue shortfall now. Ms. Vinzant said it is \$7.2 million in the current year; an additional \$1.3 million would need to be taken out in FY '10. Mr. Tucker drew Mr. Boyd's attention to the second page of the Executive Summary and said the scenario at the bottom of that sheet shows that the County is about \$0.5 million short of getting the full 1.5 cents. To get that additional \$0.5 million, the Board would have to go to a rate of 76.6 cents instead of 76.2 cents.

Mr. Slutzky asked how much the revenue picture has declined in cents on the tax rate since this fiscal year started in July. Mr. Tucker responded that it equates to between 4.5 and 5.0 cents.

Mr. Slutzky said the meltdown did not really get going until September. The County is down more than five cents on the tax rate already. Keeping in mind that this is a significant percentage, in terms of real dollars the average single-family home in the County is worth something less than \$300,000, and the average income of County residents is about \$68,000.

Mr. Boyd asked if Mr. Slutzky is quoting current year figures. He thinks the latest available are for 2006. He asked if the income figures have been adjusted for the recession and the number of jobs in the County.

Mr. Slutzky said he was exaggerating by saying the average home is worth \$300,000 because it is less than that now, and he is sure there has been a decline in income, but he was going to give the benefit of the doubt and argue that even if the higher home value and the higher income were assumed, a six-cent adjustment on the tax rate translates into one-quarter of one percent of that average homeowners income. There has been almost that much of a decline in the revenue picture just since the beginning of the fiscal year on July 1. Three Board members have suggested that a 79-cent rate makes sense. He said Mr. Rooker has voiced some concerns about unduly burdening the taxpayers, so given the variables in the economic climate from a revenue standpoint, he asked if he could tolerate a 79-cent tax rate.

Mr. Rooker replied that the Board needs to find a way to create a budget scenario that doesn't involve that much of an increase.

Mr. Slutzky said there has been a 5.5-cent increase on the tax rate already this fiscal year attributable to a decline in revenues. How does Mr. Rooker propose to fill in that kind of a gap when it occurs in the remainder of the year, not to mention that it could be deeper?

Mr. Boyd suggested that spending be reduced.

Ms. Thomas said, "This is a lot of reduced spending."

Mr. Boyd replied, "Reduce it more."

Mr. Slutzky asked if Mr. Boyd did not understand that there are already 47 frozen positions and \$100.0 million worth of the capital budget removed and a litany of other reductions.

Mr. Boyd said that none of those CIP projects were ones that could not be delayed or put off.

Ms. Mallek said the next cuts made in capital will be things that are underway. The next cuts in capital will be to stop a project that is midway in progress, because everything that was has been started yet was put off, that is what all the five-year deferrals were all about.

Mr. Boyd said that is called "reduced spending."

Mr. Rooker said the County Executive has said that to provide the budget the Board had at a property tax-neutral position before providing for an additional 1.5-cent contingency, the rate would need to go to 76.5 cents.

At this time, Mr. Tucker reminded the Board that another group was waiting to use this meeting room.

Mr. Rooker said the Board is not talking about setting a tax rate today. It is talking about guidance to staff. He would be willing to go with the 76.5-cent tax rate which he understands would need to be the rate to have an additional 1.5 cents in the budget for a contingency. Given the economic climate, he thinks that is the only way to start.

Mr. Boyd said that would take away all incentives to find more cost reductions.

Mr. Slutzky said Mr. Rooker is suggesting that the 1.5 cents is a prudent contingency, but there has already had a 5.5-cent hit to revenues so far this fiscal year.

Mr. Rooker responded that it's going to be difficult to predict where the economy is going in the coming year, when the recession is going to bottom out. The 76.5 rate, which he is now being told by staff is necessary to get that 1.5-cent contingency, added to the \$0.5 million contingency which is in the budget, provides a reasonable contingency going into the budget year. He thinks there needs to be some shock absorber for the recessionary climate to be prudent budgeters and he thinks that would provide it.

Mr. Slutzky said that might give enough contingency to address the social service contingency concerns he has, but it does not address the reality of the downturn in the economy that the Board will have to confront in the next few months. It certainly does not give the Board an opportunity to leverage funds if there is an increase in capital spending from the Federal government.

Mr. Tucker said it would at least give staff some guidance and then every month the Board will get an update on revenues. By the time the FY '10 budget is presented, the Board might think differently about a rate.

Ms. Mallek said that last year the Board had hoped it would not need the money which was put in the "lockbox." They thought it might not be needed until May and then the Board was told that it was needed in August.

Mr. Dorrier said he agrees with Mr. Rooker's approach regarding a "lockbox." He thinks there should be a three to five percent cut in the budget across the board.

Mr. Tucker said he will explain what has already been done. Departmental budgets have already been reduced by 10 to 12 percent in both operations and in staffing. Staff has already made some pretty significant reductions since July. With regard to those outside agencies, staff is trying to hold them harmless. They may need additional funds, but while the departments are taking reductions in their budgets, it is trying to hold all of the agencies harmless by not reducing their budgets now.

Mr. Slutzky said it does not address the increase in demand for services. Mr. Tucker said that is true.

At this time, Mr. Rooker **moved** that the Five-Year Financial Plan Be developed based on a presumed real property tax rate of 76.5 cents. That is not setting a tax rate, but just what the recommended budget can be based on.

Mr. Foley clarified that this rate would be for year one of that Five-Year Plan, because in year two the Board had already planned for another penny.

Mr. Rooker said his motion does not include another increase in the tax rate in year two. Mr. Foley said the model will then be out of balance in the out years.

Mr. Rooker said the Board is talking about a rate that includes an additional contingency, and if economic times don't get worse, that contingency can be used to accomplish some of the things projected for the out years.

Ms. Mallek asked if Mr. Rooker would consider rounding it up to 77 cents to include the three cents for the human service agencies.

Mr. Rooker said that he would like to have a vote on the 76.5 cents. He thinks it is higher than some people want, but it is lower than some other people want. Anyway this is cut, it is going to be an extremely difficult budget year.

Mr. Dorrier said he will only support this because he thinks there is the possibility of some uses with the contingency fund, such as construction needs that would be matched by the Federal government.

Mr. Foley said to clarify that along with that rate, the 1.5-cent contingency fund will be created out of that rate.

Mr. Boyd asked for a second to the motion.

Mr. Dorrier **seconded** the motion. Roll was called, and the motion **failed** by the following recorded vote:

AYES: Mr. Dorrier and Mr. Rooker.

NAYS: Ms. Thomas, Mr. Boyd, Ms. Mallek and Mr. Slutzky.

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**Motion** was then offered by Mr. Slutzky to make the rate for budgeting purposes 79 cents, while holding back 4.5 cents of that as a contingency for the various considerations the Board has been discussing as opposed to the 1.5 cents. Ms. Thomas **seconded** the motion.

Roll was called on the motion and it **failed** by the following recorded vote:

AYES: Ms. Thomas, Ms. Mallek and Mr. Slutzky.

NAYS: Mr. Boyd, Mr. Dorrier and Mr. Rooker.

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Mr. Boyd said starting with the 74.5-cent rate and adding whatever the Board wants to add during the budgeting process is still available to the Board.

Mr. Slutzky asked if Mr. Boyd was suggesting that the budget be based on a 74.5-cent rate with no contingency knowing the Board will sort that out later.

Mr. Boyd said the Board is only giving directions to the County Executive for proposing the next budget; it is not setting a budget or a tax rate.

Mr. Rooker said his proposal actually provides about two cents for a contingency.

Ms. Mallek said that includes the \$0.5 million that is in there now which might be "eaten up" in the next few weeks. She asked if anyone would support starting at 77 cents as a working place to start from.

Mr. Rooker said the Board needs to give some direction and it needs to have some unanimity - that is not the place he would choose to start from, but he will support that in order for the Board to be able to give some direction to staff. It seems to have enough support among the Board members to get this moving.

Mr. Boyd asked if Mr. Rooker was suggesting that everything over 4.5 cents would go into a contingency fund.

Ms. Mallek said she would agree to that because it would continue to challenge the Board to make any of the efficiencies it can find.

Mr. Slutzky said with the caveat that he does not think that is enough contingency, he will support it for the exercise the Board is going through.

Ms. Mallek **moved** to set the real property tax rate for budgeting purposes at 77 cents, with 2.5 cents allocated for a contingency and the remainder for operations. Ms. Thomas **seconded** the motion.

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

AYES: Ms. Thomas, Ms. Mallek, Mr. Rooker and Mr. Slutzky.

NAYS: Mr. Boyd and Mr. Dorrier.

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Agenda Item No. 8. Adjourn. At 6:35 p.m., with no further business to come before the Board, the meeting was adjourned.

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Chairman

Approved by the Board of County Supervisors
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Date: 07/08/2009
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Initials: EWJ
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