

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 2, 2009, at 1:00 p.m., in Room 241 of the County Office Building on McIntire Road, Charlottesville, Virginia. This meeting was adjourned from February 25, 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, Clerk, Ella W. Jordan and Deputy Clerk, Meagan Hoy.

Agenda Item No. 1. The meeting was called to order at 1:00 p.m., by the Chairman, Mr. Slutzky.

Agenda Item No. 2. FY 2009-10 County Budget: Work Session.

General Government Work Session

Overview:

Mr. Tucker reported that the Board will be reviewing the General Government section of the proposed budget today. Another work session is set for Thursday, March 5 to review the School Board's budget. If the Board does not finish the session today, staff has discussed continuing this review at the end of the Board's regular day meeting on Wednesday or finishing today's review after the meeting on Thursday. On Monday, March 9, there is a budget session scheduled to cover the Capital Improvements Program (CIP) and try to deal with approval of a budget and a tax rate for advertising; if needed, March 11 is also available. He said staff will review each section of the General Government budget today and take questions; he suggested that any items needing further discussion be put on a list for review at the end of the work sessions.

Mr. Tucker said staff feels there will be little impact from the Resource Management Review Report until 2010. He noted that the County is still waiting for clarity from the Federal and State governments regarding the President's stimulus bill. Staff met with Congressman Periello's office staff last week. The County does not seem to have a lot of money readily available to it, but cities that are CDBG-entitlement localities will get funds based on their formula. He added that the Schools expect to get some revenue, and by Thursday they should know more about that.

Mr. Rooker said at the PACC meeting this was discussed. Mr. Ridge Schuyler was present and indicated that County schools will get about \$2.0 million over two years. During the recent budget wrap-up at the General Assembly they indicated that they were able to hold the schools harmless because of the stimulus bill. He asked if they are taking the stimulus money the County thought it was getting and putting it back into the system? Mr. Tucker responded that he would be discussing State revenue impacts next. During the meeting with Congressman Periello's staff, they had asked if any of the stimulus money could be used and not provide local funds, but they do not know for sure at this time. He said the Schools seem wary of doing that as the money will "dry up" in two years. Would the County be expected to make up that money in two years? He said the County has to be careful not to fund the Schools as highly as it would and use that money for other things when by 2012 that money would have to be put back in.

Ms. Mallek said it is hoped that things will change in the next two years. Mr. Tucker said he understands that, but it means Local Government would have to make up that difference in the future. Some of these things are things they are already funding. It will not add to what they are already doing so the Schools do not feel it will add to the services they are already providing.

Mr. Rooker asked why that money could not be used for the contingency reserve (saying a "rainy day fund" is a bad term), since any budget needs some kind of reserve to compensate for slight differences. Mr. Tucker said if the money were needed in the next two years for a contingency, the Board would have to find that amount to provide to the Schools by 2012. As long as the Board recognized that the additional funding might need to be picked up by the County in the future.

Mr. Rooker emphasized that he would rather have the money go into a reserve than have it increase the expense base that would have to be dealt with in two years.

Mr. Slutzky asked if it could be used to stimulate capital projects so it is being used as a local economic stimulus for a project that was merely accelerated from the CIP because the funds were available. Mr. Tucker replied that he thinks that could be done, as it is one-time money.

Ms. Thomas said this budget is essentially being "balanced on the back" of the CIP because that is where most of the money has been taken out, and the Board has discussed turning the contingency fund into that if it was not needed in the coming year. Having the Federal stimulus money put into capital is both a way of repairing the damage done by this budget to capital as well as using one-time money the way one-time money ought to be used, as well as being a stimulus.

Mr. Slutzky noted that that is what he is suggesting.

Mr. Tucker said what the County will compete for through the CDBG-type approach is primarily for capital, and all of the lists which were sent to Congressman Periello's office, Senator Jim Webb's office, and the Governor contain that item.

Mr. Slutzky asked if the money for schools cannot be used for capital projects. Mr. Tucker said he does not know.

Mr. Boyd said if it is Title I money it could not be used in that way.

Mr. Rooker said it is coming in through Title I and the IDEA Program. He said the Federal government was suppose to pay about 40 percent of that program and the County pays about 14 percent. He said when the legislation was passed, they said they would pay 40 percent and the State would pick up a share, but now the County pays 86 percent and the State pays 14 percent. Mr. Tucker said by the time the Board meets with the Schools on Thursday, staff will have a better idea about it. Before the end of the work sessions next week staff hopes to have a better understanding of State budget impacts. Then revenue trends will be updated in order to find what has happened since December when the last update was received.

Mr. Tucker also reported that there are a few recommendations in the Resource Management Review Study (RMR Study) that could yield significant savings in the 2010 budget; a more in-depth review and proposed action plan will be forthcoming in May. He added that there would be a brief review and funding-related recommendations as the Board goes through these work sessions. He mentioned that the RMR Study contains 148 recommendations, broken down by type; 36 are related to evaluating something, 36 are procedural changes that would be made in the organization, 31 are resource related, and 16 are on performance. A few actually recommend expansion of programs.

Ms. Thomas said on Page 11 of the RMR Study it talks about how much money the County gets from the State and how much comes from local taxpayers, and it is a shocking comparison. It shows why citizens are so unhappy about their tax burden. It puts the Board in a position of saying it is running the government on a lower tax rate and reiterating all of the good things said about County government. She said the local taxpayers are paying a heavier amount than what is paid in other localities. Because of Albemarle's composite index and its supposed wealth, and the fact that they do not take into consideration either the Revenue-Sharing Agreement or the Land Use Taxation Program, the State thinks Albemarle has about \$40.0 million more than it has. Also, the County's low tax rate counts against it. She said the consultants recommended that the citizens be told about this situation more clearly and she agrees that would be a good thing. Mr. Tucker said while the County does a good job of explaining the Revenue-Sharing Agreement with the City, it needs to do a better job of explaining why it is faced with such issues as the composite index and other issues from the State.

Mr. Rooker noted that on average it appears that Albemarle is getting about 38 percent less per capita than all of the counties compared to Albemarle in the report.

Mr. Boyd asked if it would be worth doing a comparison of the formula for the composite index to see where that falls short.

Ms. Thomas said she had asked Mr. Steve Allshouse to do that, but it is a complicated process.

Mr. Tucker said there are funding-related recommendations in the RMR Study that will be discussed, items that may show a savings either this year in the future, things such as implementing an EMS revenue recovery plan as soon as practicable, consider changes to the Schools funding formula, accounting for Debt Service in the amount of School Fund Balance retained, and reconsider the frozen auditor position in the Finance Department to address potential loss of revenue to the County.

Ms. Thomas pointed out that Mr. Tucker had made a good argument as to why unfreezing that auditor position would not have the effect the consultants thought it would have. Mr. Tucker said the County saw significant savings with that position when it was first created; any savings now would probably not be significant.

Mr. Rooker said he thinks a third-party might be found to perform those tasks if it can be done under State law and privacy concerns. Mr. Tucker said staff is looking at moving some positions around, so he might be able to assign this task to a staff member, not an auditor position.

Mr. Tucker said the RMR Study also recommended that adequate resources be applied to successful completion of the Access Albemarle project, and that adjustments be made to the VERIP Program as well as to health insurance premiums. The consultants compared Albemarle's health insurance premiums with several other localities, but Albemarle is normally compared to 30 different localities, while they only used three or four localities. They also recommended considering additions to current staffing levels in various departments. This is another recommendation that will be discussed as the Board goes through these work sessions. He said staff will start this work session with an overview of revenues.

Revenue Summary

Mr. Richard Wiggans, Director of Finance, addressed the Board, presenting an overview of revenues. He reported that from FY '09 to FY '10, revenues are decreasing by \$600,000 – or 0.3 percent. General Property taxes (includes both real estate and personal property taxes) are up \$3.9

million – 2.8 percent – using the 76.7 cent tax rate on real property which reflects the 2.5 cent increase for a Contingency Reserve.

Ms. Mallek asked if all the figures Mr. Wiggins is presenting contain the money for the Contingency Reserve.

Mr. Wiggins said that is correct. Other Local Taxes – primarily sales tax and some development-related taxes – are down \$2.3 million. Other Local Revenues are down \$1.9 million. State revenues are down approximately \$200,000 or 1.0 percent; staff is still reviewing General Assembly action. Federal revenues stay flat and Transfers are up slightly, with the General Fund Balance decreasing by \$300,000. The bottom line is that revenues are basically flat.

Ms. Thomas said there are various annoying little things that say the State is only down 1.0 percent, but she went through the budget to check this out. There are little things such as increased costs for forest fire extinction and less reimbursement for rent of Social Services space.

Mr. Rooker asked if that includes the change in CSA funding. Mr. Wiggins said it does.

Mr. Dorrier asked what the 31 percent decrease includes other than sales taxes. Mr. Wiggins said that Other Local Revenues show a 31 percent decrease. That includes a long list of different kinds of revenues.

Mr. Dorrier asked if that includes the machinery and tools tax. Mr. Wiggins said that tax is a part of the General Property tax. Other Local Revenue includes development revenues, building permits, interest income, etc., which are declining by about \$1.9 million from the current budget to next year's budget.

Mr. Tom Foley, Assistant County Executive, clarified the State revenue reduction by stating that there are revenues in other funds that are not reflected in the 1.0 percent, so in total there is about \$750,000 less than the current year. The 1.0 percent is reflected in the General Fund.

Mr. Boyd asked Mr. Wiggins about commercial real estate prices, as retail occupancy rates have been declining, and that some retailers may be moving out because of the failure of retail stores. Mr. Wiggins said he will discuss that shortly, but commercial reassessments were up 1.59 percent this year.

Mr. Boyd noted that those numbers were based on FY 2007-08 numbers that would likely change. Mr. Wiggins said there have not been many appeals of residential or commercial tax bills this year, but the County anticipates a continued decline in value in 2010.

Mr. Boyd suggested getting some of the bigger payers together, such as mall and shopping center owners, to gather their input on projected occupancy rates.

Mr. Foley said as a point of interest, on Page 70 there is a list of things that contribute to the 1.0 percent reduction in State revenues.

Mr. Wiggins reported that each cent on the real estate tax rate equates to \$1.56 million in FY '10, and the budget is balanced on a tax rate of 74.2 cents, with an additional 2.5 cents that would provide \$3.9 million for a Contingency Reserve Fund.

Mr. Slutzky asked how much of a budget shortfall has been experienced in the current fiscal year. Mr. Wiggins said the Second Quarter Financial Report shows that shortfall as about \$7.0 million. Staff attempted to be conservative on revenue projections for next year. He presented a breakdown of revenues by classification for the 2009 reassessment: single-family urban declined by 5.26 percent, single-family suburban declined by 2.8 percent, with the average of those two being 4.1 percent; multi-family is up almost 5.0 percent, commercial/industrial is up 1.6 percent; and, agricultural declined by 2.59 percent.

Mr. Wiggins reported that three major revenue sources have declined in the FY '10 budget – development and housing-related fees and taxes are down 47.0 percent or \$2.1 million; sales tax is down 9.2 percent or \$1.3 million; and, personal property taxes are down 8.0+ percent or \$1.9 million.

Mr. Slutzky asked how much is anticipated to be lost this year in revenue from the Land Use Tax Program. Mr. Wiggins said it is probably about \$17.0 million.

Mr. Boyd asked how much more this is expected to decline next year. Mr. Wiggins said this is the budgeted amount; the actual amount for the current year is also down from the budgeted amount in each of these categories. The amount for next year is also down based on assessments.

Mr. Slutzky asked if that is based on the 2009 reassessments.

Mr. Boyd asked how much more it is expected to decrease in next year's budget. Mr. Foley said there are projections on the 2010 reassessment that are one-half of the fiscal year. He said staff will get that figure for another work session.

Mr. Boyd said projected revenues in the current fiscal year are down from the last fiscal year. Is the 4.0 percent decrease in development housing 37.0 percent over what was expected for the current year or what was budgeted? Mr. Wiggins said it is the budgeted figure.

Mr. Rooker said sales taxes are down 9.2 percent from the prior year's budget. He asked how much it is down now. Mr. Wiggins said that staff budgeted a little over \$14.0 million for FY '09. Now, they are actually estimating \$12.2 million, or a \$1.8 million decline.

Mr. Boyd said that is his point; sales taxes are projected to be relatively flat next year. Mr. Wiggins said they are projecting a slight increase.

Mr. Slutzky asked the logic behind that projection for sales tax revenues. Mr. Wiggins said staff has heard that the State is projecting increases in sales tax, so they "piggy-backed" that statement.

Mr. Slutzky said to forget the State, and asked why Mr. Wiggins would think sales tax revenues would be expected to increase at all. Mr. Wiggins said staff is cautiously optimistic that there will be a slight turnaround.

Mr. Robert Walters, Division Manager of Business Taxation, explained that in FY '08 the County had collected \$5.5 million at this time of the year. So far this year, the County has collected \$5.1 so is taking some significant drops. What will happen now is that the base will be low and as it goes into a small recovery and they are hoping for a small turnaround by the end of the fiscal year. Staff has been trying to project out 22 months.

Mr. Slutzky said the Board is trying to make a budget for a year in advance, but once that is done it does not have the luxury of doing anything other than cutting things. He suggested taking the national economists' revised estimates and reflecting those in this budget process. Mr. Walters clarified that the numbers would likely change before the end of these work sessions, although he does not know if there will be significant changes.

Mr. Slutzky said the Board understands that this is the greatest moment of uncertainty ever in this process, and that is why it is more important to give it your best shot. Mr. Foley said staff recognizes the need to do that in this process.

Mr. Boyd said there is always a number missing in these budget deliberations; the Board should have a listing of revised revenues and expenses for the current year, particularly when they are way off from what was budgeted. It is not easy for him to compare against numbers that were never reached in the first place. Mr. Foley responded that such a comparison could be provided. As an example, personal property taxes are projected to continue to decline in the next fiscal year whereas sales taxes are about flat.

Mr. Rooker suggested providing a one-pager that includes an estimate for full-year comparisons in four or five categories. Mr. Wiggins said those figures are actually in the budget document; there is a tab for revenues starting on Page 59.

Mr. Foley mentioned that the Mid-year Financial Report reflected staff's position on each revenue source and their perceived trends. Also, Mr. Walters is currently reevaluating that, so the Board may wish to wait until next week to get that information.

Ms. Thomas asked if the amount for personal property taxes includes the amount the State is providing and has the State kept that figure steady. Mr. Wiggins said it is \$15.0 million.

Mr. Boyd said when staff uses the term "state" are they relying on the political figures or the accounting figures. There is a big difference between the two.

Ms. Thomas said there is a cap unless the General Assembly decided to change it this session. Mr. Walters said they did not even discuss it this year. Politically, they do not want to go back and revisit the issue.

Mr. Boyd said he mentions it because he had heard that the Governor may have put rosier pictures in this budget than what was actually presented to the General Assembly. That is the number he is worried about not using.

Mr. Slutzky said the Board has a significantly reduced budget, eight percent less staff, and a lot of reductions already built into the budget proposal. They are concerned that when talking about the Contingency Reserve for next year, there needs to be a good sense of the underlying basis for the revenue projections being made by staff so when it gets to that point, there can be an intelligent conversation. Mr. Foley said staff will provide more information about the basis of their projections.

Expenditure Summary

Mr. Wiggins reported that the estimated FY '10 expenditures are down approximately \$600,000 or 0.3 percent from the current year's budget, which reflects no salary increase for employees, an additional 15 frozen positions on top of the existing 35 for a total of 50 – or 8.0 percent of the Local Government workforce. He said there is a 7.0 percent increase in health insurance, with a 5.0 percent increase in dental insurance rates, but employee premiums will not be changed.

Mr. Rooker said departmental budgets show line item benefit increases of 25 to 30 percent, which do not seem to relate to the figures Mr. Wiggins just presented. Ms. Laura Vinzant, Budget Analyst,

explained that there may be a change in the number of employees who elected to be under the County's insurance.

Ms. Thomas noted that unemployment by other family members may prompt employees to pick up coverage with the County.

Mr. Dorrier clarified that this budget reflects a 0.3 percent overall reduction totaling \$600,000. Mr. Foley pointed out there is the overall reduction in all departments, but there are dramatic increases in obligations, so the operating expenditures that existed last year had to go down dramatically.

Mr. Wiggans said there is an additional 3.9 percent reduction in departmental operating expenditures, giving a total of \$1.4 million or a 10.0 percent decline in operating expenses since FY '08. He said there is minimal capital outlay in this budget and there are no new strategic initiatives or programs recommended.

Functional Area Detail

Administration

Mr. Foley reported that in the FY '10 functional areas, the **Administration** category accounts for about \$10.8 million with those expenditures estimated to be down \$220,000 or nearly 2.0 percent.

Mr. Foley reported that the **Board of Supervisors'** budget increased by 10.8 percent; part of that increase is for contracted services for minute preparation, plus an increase in the cost of the annual audit and increased premiums for public officials' liability insurance. He mentioned that advertising costs have been reduced, and hopefully they will be lower in the coming year.

Mr. Rooker asked what options are available for advertising. Mr. Davis replied that legal ads are usually run in The Daily Progress. Staff looked at the C-ville Weekly as an option, but because it is a weekly paper, it is difficult to meet the legal deadlines for placing advertisements.

Mr. Foley reported that the **County Executive's Office** budget has decreased by about 3.0 percent, or \$36,000, reflecting the salary of a frozen part-time office associate position and other operating costs. Overall the budget for the office has decreased by about 35.0 percent - with a portion of that is a \$6,700 decrease in ACE Program publicity. There are other strategies being reviewed regarding how to continue promoting that program. Staff will be working with other agencies to promote the tax credits available for voluntary easements. The Board will be discussing some measures to offset losses during the upcoming work session on the Rural Area Strategies in the Comprehensive Plan.

Ms. Mallek asked if this reduction reflects the decision not to do the video originally planned. Ms. Lee Catlin, Community Relations Director, explained that staff has been meeting with representatives from other easement-holding organizations to collaborate on promotion. The public participation person in her office has been reassigned to spend about one day a week on easement outreach.

Mr. Foley reported that the **Human Resources (HR)** budget reflects a \$154,000 – or a 16.8 percent increase – in expenditures, with a frozen organizational development specialist position. The majority of the increase - \$148,000 – due to the early retirement incentive program the Board put into place this year.

Ms. Thomas asked for assurance that training programs would not be cut back, since there is the need to shift personnel around to cover vacancies, she thinks there is more need for training. Mr. Foley responded that training has been cut back slightly over time, but HR is comfortable with the kind of training provided. He added that if there is a further revenue downturn which necessitates freezing more positions, the County's training program may need to be reevaluated.

Mr. Dorrier asked how many people are taking early retirement. Mr. Foley said staff does not have a final figure on that yet. They projected that about 10 additional employees would use the early retirement incentive. Employees need to file for it by April 1st.

Mr. Boyd asked if that is a projection staff makes, or do they get an actuarial firm to do it. Mr. Foley said the projection is made by HR based on the payout for early retirees on health and VERIP.

Mr. Boyd said when accruing for it, does staff use an actuarial table or is it just an in-house calculation. Mr. Foley said for the budget, staff uses an in-house calculation. What the audit picks up in terms of the obligation is probably done on a different basis.

Mr. Boyd said at one time this was being paid out of current operating expenses and not being accrued. Mr. Wiggans said there is a new requirement where the County has to account for anticipated expenses, so it has to be accrued and shown in the accounts.

Mr. Tucker pointed out that this is the new one-year early retirement/buyout incentive program and staff anticipated that 10 people would take advantage of it at a cost of about \$140,000 a year.

Mr. Slutzky said this before the Board committed to motivating 10 additional people to step aside it thought 15 employees would probably retire anyway through natural attrition over the course of the

year. Mr. Tucker said staff was nervous about that number; he emphasized that attrition has slowed down significantly.

Mr. Slutzky asked what will happen if more than 15 people want to take advantage of this program. Mr. Foley said there would be savings in departmental budgets over the course of the year by hiring employees in at lower salaries.

Mr. Foley said there is a net decrease in the HR budget if this large increase is taken out – there is about a 25 percent decrease in Local Government's share of that total budget.

Mr. Foley said the **County Attorney's Office** budget is down about 1.0 percent reflecting a decrease in part-time wages for temporary assistance from law clerks.

Ms. Thomas asked if it would be possible to get the UVA interns for free. Mr. Davis said it would decrease reliability. Another problem in his office has to do with space. There is no place for them to be in the office, and that impacts being able to utilize them.

Mr. Foley reported that the **Finance Department** has one of the largest reductions in staff, with their budget being down \$264,000 – or 6.2 percent - with numerous positions frozen. He explained that staff is evaluating the Business Auditor position mentioned in the RMR Study and the best way to follow up on lost tax revenues. Just filling that position may not be the answer. Consultant services might make sense. He said GIS employees are already working with the Finance Department through the GIS system to try and track down where people are reporting to the wrong locality. This project of tracking down lost revenues between jurisdictions is a major undertaking, and he does not think the County could rehire that person and have everything taken care of. In the case of Chesterfield and Henrico counties where they have been working on this for years they went so far as to have different zip codes put into place.

Mr. Rooker said that is why he wondered about using a third-party recovery company which normally works for a percentage. There was some question about the privacy aspects. Mr. Walters said the information they need in order to do their work would require that they go into tax records and look at the revenue of businesses, and no outside person would be allowed access to those records.

Mr. Rooker asked if a company could get qualified to do that. Mr. Walters said an employee could do it, but not an outside person.

Mr. Rooker said the County might be able to hire someone who is paid a low base and a percentage of recovery. They would ultimately have to be an employee, but a lot of people hire in-house collection people and they are paid a percentage of collections.

Mr. Slutzky liked that idea.

Ms. Mallek asked about outreach to businesses so they understand how important it is that their money gets to the right locality. Mr. Foley said that will be part of what staff will be addressing to solve this issue. Mr. Tucker added that after the GIS employees look at it staff can contact those individuals and make sure they understand they are located in Albemarle County.

Mr. Dorrier asked if there is anything in the budget showing the influence of relying on hi-tech. Mr. Foley said that is a reason to maximize the GIS system. It might cut down on the workload of an individual working on this situation. With the technology and staff already in place, it can be done efficiently.

Mr. Boyd asked if staff anticipates that when Access Albemarle comes online it will lessen the need to fill some of the frozen positions. Mr. Foley said the most honest answer would be "no." He thinks better data will be provided in the future, and staff hopes to hold the line on employees, and to the degree that staff could be reduced, it would be reduced. He just has not heard many folks say these things end up that way.

Mr. Boyd said he was not thinking particularly about staff, but it was mentioned earlier that audit fees are increasing, but moving fixed assets to the new system had to take a tremendous amount of work off of some employee; it went from a manual system to an automated system. That is the one thing that has been converted, so there has to be some savings somewhere. Mr. Wiggins indicated that there have been conversations with the auditors about that and there may potentially be some savings there.

Mr. Rooker said the auditors are sensitive to the current financial situation. They have clients who are paying them late, and are finding it harder and harder to find good clients. He suggested that the County is in a reasonable bargaining position now to perhaps negotiate the audit fees for next year.

Mr. Boyd commented that Farmer & Cox has been a great firm, but sometimes it's good to change firms so there is a fresh set of eyes. Mr. Foley noted that the County puts out bids for auditors every three years, and this is the year to do that.

Ms. Thomas asked about the Land Use Taxation program. It was suggested that revalidation of the program may make it a more staff intensive operation. Mr. Foley responded that he is evaluating that in terms of reallocation of staff if it turns out that staff would be needed. Staff has talked specifically with having the building inspectors help with that effort. He said there are a lot of opportunities throughout the organization. It is down on real estate assessors as well. He said staff will be noting how employees are

being reallocated as these work sessions proceed. He noted that in the Finance Department, Real Estate Division, the real estate supervisor position has not been filled, but there is half of a GIS person from Community Development who has assumed the responsibility for mapping, etc.

Mr. Foley said he will go ahead and discuss now the question that came up about health insurance premiums. At the public hearing, there were comments about it, and there is information in the RMR Study about it also. The overall benefits strategy is to survey the joint Board-approved market every three years to look at benefits and compare them with the 30 other localities. What was shown in the RMR Study and what is actually in place are two entirely different things. The County targeted slightly above market at 105 percent when that strategy was approved several years ago. Because no pay raises are proposed for this coming year, it was suggested in the Five-Year Financial Plan that benefits be held where they are now. At this time staff expects to do a full review of benefits design in the year ahead – looking at co-pays on medical and doctor visits to determine if the County is in the right place in terms of its market. A survey of all public sector agencies throughout the country is done each year and HR has consultants look at that study for the County. He emphasized that it's important to look at the entire picture because members in the market may be different in terms of what they pay in premiums for family versus employee.

Mr. Foley said the information the Board saw showed there could be millions of dollars in savings realized. He showed a chart on the screen comparing four localities (the RMR Study only compared four localities) and it shows that for employee and family the County pays the same amount. It shows that 59 percent of the employee base is in family coverage. If that kind of distribution is assumed for other localities, it shows that Albemarle is probably saving money compared to those localities.

Mr. Slutzky asked if staff looked at how the County's risk profile compares to other localities. The County cannot control how healthy or sick its employees are except through prevention programs. Mr. Foley said the consultants do a thorough review of that each year. He said the County has invested a lot of money in wellness programs the last couple of years hoping it will help reduce the number of claims in the future.

Mr. Dorrier asked if any benefits have been derived from that program yet. He asked if there has been a reduction in the number of employees who smoke. Mr. Foley said that is harder to track; he will have to ask HR to reply to that question. There is very active participation in WeightWatcher Programs as part of the wellness programs.

Mr. Slutzky said wellness programs make sense but the impact can not be measured for years. Staff might look at the risk/profile of peer localities to see if that accounts for the disparity.

Mr. Boyd said the only way to gauge the County's benefit programs is to look at the actual dollars spent. The only way to reasonably do that is to say the County pays "x" percent additional in benefits over and above salaries and see how that compares to the other localities. Staff needs to look at benefits in total and not just the medical benefits.

Mr. Rooker said he thought that was part of the market comparisons done every year. He said this is just a slice of benefits in response to what was in the RMR Study. He wants to complain about what that study did in this regard. It gave an extremely skewed false picture of the comparisons by leaving out the family coverage component. He would like it put to the consultants in writing that this comparison was incredibly misleading because it took a small slice of data and presented it as though it gave a full picture of potential savings.

Mr. Slutzky said since that perception is out there, he will ask that staff provide the Board with two things. One, what Mr. Boyd described which is benefits as a percentage of employee costs and second, data to help understand whether Albemarle had a less healthy year as compared to peer localities. The Board needs to know whether there is really a problem.

Mr. Boyd said there are other pieces to it, such as the VERIP program. He said this Board made a decision to do that, but not all counties did, some of them went with 401k's as opposed to defined benefits. Mr. Foley said a full benefit design and a comparison to the 30 localities and an evaluation of the VERIP Program will be done in the coming year.

Mr. Rooker asked if the 105 percent (part of the adopted Compensation Plan) was done on the basis Mr. Boyd is suggesting.

Ms. Thomas said the Board was told it was hard to pin down that number. It was set at 105 percent meaning the County would do better than average.

Mr. Rooker said a lot of these same questions are asked each year. Generally the Board has been satisfied that the work done gave a reasonably good picture of what the comparative market was doing in benefits and what the County was doing; that is for total benefits and not just medical.

Mr. Boyd asked if staff would get that number showing what the County pays. Are benefits 30.0 percent of personnel costs and how does that compare to the 30 peer localities? Mr. Foley said staff will have that information for the whole process of reviewing the benefit mix.

Mr. Rooker said a 12.0 percent increase is in line with what is going on nationwide.

Mr. Boyd said it was mentioned earlier that there is no way to gauge the wellness program, but he has been watching it over the years and the County's experience rating has been going down since the wellness plan was started. Mr. Foley said it is new and more immediate benefits will be seen when starting a new program like that. Something as simple as WeightWatchers makes a difference.

Mr. Foley said there is a decrease of about 3.7 percent - or \$98,000 - in the area of **Information Technology**, and there are the frozen positions of Office Associate and Programmer Analyst. Capital outlay was also reduced – for data processing equipment and software – by about 55 percent or \$28,000. The RMR Study suggested dedicating the necessary resources to project management and keeping that project moving; there is a budget for Access Albemarle that includes money for project management with part-time assistance now. An RFP will be issued soon for a full-time position for the more complicated parts of the project. This will not be an ongoing expense.

Mr. Foley said there is a 5.0 percent decrease or \$24,000 in the **Registrar's Office** expenses, which is reflected in overtime, part-time help and printing costs resulting from there being no presidential election in the coming year.

Mr. Rooker said the operating costs for this office are incredibly high when compared to the salary benefit component. He asked the reason. Mr. Foley said it is due to the cost of election officials and poll workers who are not counted in the salary line item. They are a contracted type of expense.

Mr. Slutzky said there is some reduction in a non-presidential year, but each precinct still must be populated. Mr. Foley said there is an \$18,000 reduction in operating expenses which is not a large percentage of the total. There is still the normal level of election work that must be done.

Mr. Slutzky said they did a good job with their budget last year. He pointed out that the lack of delays during the Federal election was noticeable in the County. Mr. Foley said that office actually requested some additional funds during the year, but that paid off.

Mr. Foley said that covers the Administration section of the budget. Are there any further questions, or items the Board would like to put on the list? Are there any follow-up issues?

Mr. Slutzky said he would like to put a placeholder on the issue of volunteer recruitment for the fire/rescue division. He said it may make sense to have it as an HR issue and that is why he mentioned it now.

Mr. Dorrier referred to the graph on Page 61 that shows that all revenues are going up. He asked if there is any possibility the stimulus bill will increase revenues at the Federal level. Mr. Wiggans said staff is still evaluating that. Mr. Tucker said it will depend on whether the County is successful in seeking competitive grants, and even if those funds are obtained it will only be for a one or two-year period.

Mr. Slutzky said the Board discussed this before Mr. Dorrier got to the meeting today, so he will explain to him later what was discussed.

Mr. Dorrier asked if there is any other alternative to the real estate tax. He asked how much tax is raised on machinery and tools. Mr. Davis said the machinery and tools rate cannot be any greater than the personal property rate. Unless the Board is interested in increasing the personal property tax rate, that is not an option.

Mr. Slutzky said he does not think that is what Mr. Dorrier is suggesting.

Mr. Dorrier said that is correct.

Mr. Tucker said the State puts caps on localities and Albemarle is at the maximum on all of them because the Board has made an effort to offset the pressure on real estate.

Ms. Mallek asked if the County is at the maximum for hotels and meals. Mr. Tucker said it is.

Mr. Slutzky suggested staff give the Board a list of taxes showing the State cap and the County's rates so it can see that the County has virtually maxed out all of them.

Ms. Thomas said it has been suggested that the County consider a tax on UVA sports game tickets. She said the Board has talked about an admissions tax and maybe it should discuss it again. Several years ago Mr. Leonard Sandridge said that if the County were going to do that the University would need to have several years notice because of the way they work their contracts. Mr. Davis said there is no enabling legislation that would allow the County to do this. He said that in the Three-Party Agreement, it says this would be discussed with the University before asking for any legislation.

Mr. Rooker indicated that he would want to see some support from the legislators before even considering it; such a tax would be broad-based and cover all events, not just UVA's. Mr. Tucker said Fairfax County did not impose an admissions tax because they received so many negative comments from movie theaters that they did not impose the tax.

Ms. Mallek said Delegate Rob Bell had mentioned that other communities are bringing in requests to the Legislature for entertainment types of taxes as a source of revenue.

Mr. Slutzky said it sounds as though the County is obligated to bring it up at PACC meetings anyway. He asked if the Board members would like for that to happen next.

Mr. Rooker said he would first like to see if there is support among the County's legislators before even considering it. If there is, it should be brought up at PACC. It has been discussed in the past, and the tax would be broadly applied, so it would pertain to football and basketball at the high school level also. Mr. Tucker said when it was discussed the Board said it would do it in conjunction with the City, so they should also agree.

Mr. Boyd said as a follow-up, all the way through the budget book benefits are shown separate from salaries, so it is an easy number to calculate. He does not think it will be difficult to give the Board the comparison he wants.

Mr. Rooker said staff would have to make certain that the line entitled "benefits" contains the same items in each locality.

Mr. Boyd said whether a locality offered dental insurance or not would not matter because they might offer something Albemarle does not.

Mr. Slutzky said each of these points is relevant, but he said that staff will figure all of this out when they give the Board the numbers requested. Mr. Foley said that is all part of the benefits review staff will do next year. He said when the Five-Year Financial Plan is reviewed, that is a good time to consider all available fees. Mr. Tucker said he thinks Mr. Rooker is on target. If the legislators are not interested, it would be a waste of time.

Mr. Rooker said the graph Mr. Dorrier pointed out on Page 61 is an example of what has been experienced over the years, most revenue lines are flat and the only place where there are any increases in revenues is in property taxes. Because there is no particular increase in Federal or State funding it just continues to put pressure on property taxes.

Ms. Thomas said that pressure is even heavier in Albemarle than in most localities because the State is paying less per capita.

Mr. Tucker asked if there are other functional areas to be discussed this afternoon.

Mr. Slutzky said he assumes the recommended budget includes no increase in pay for the Board of Supervisors just like all County employees. Mr. Tucker said that is correct.

Mr. Boyd said he would like to know where in the composite index formula Albemarle sways from other localities.

Ms. Thomas said if part of the reason the County is penalized is that its tax rate is low, is that a statement Mr. Boyd would be willing to consider.

Mr. Boyd said he would. Mr. Tucker said the State assumes Albemarle's ability to pay is greater because the County's tax rate is lower when compared to other localities.

Ms. Thomas said there are 13 counties that are in a worse position with the composite index. Some of those are in the Northern Virginia area where there is a higher cost of living.

Mr. Rooker said Ms. Thomas is referring to the SOQ formula.

Ms. Thomas said there are two; there is the composite index and there is a fiscal stress index and Albemarle is the fourteenth from the bottom on both of those.

Mr. Dorrier asked about the possibility of Local Government implementing non-paid furloughs. Mr. Tucker said that is an alternative the County would have to move to if there is a further downturn in the economy. It is on his list of possibilities although it has never been done before in Albemarle.

Mr. Dorrier asked if it would produce a good amount of revenue. Mr. Tucker said a furlough would need to be for several days; it is his next to last option before going to layoffs.

Judicial

Mr. Bryan Elliott, Assistant County Executive, addressed the Board, stating that the recommended budget for Judicial is \$3.8 million funding four different areas and representing a \$44,600 decrease from the current year. The **Sheriff's office** represents about 51.0 percent of the expenditures in this category, with the **Commonwealth's Attorney's office** representing 24 percent and the **Clerk of the Circuit Court** and the **Courts** making up the balance of the funding. There is a decrease in expenditures for the **Clerk of the Circuit Court** of \$47,386 because one full-time equivalent position is being dropped. There is \$2,000 in capital outlay proposed for the Judicial category for furnishings in dire need of replacement and court recording equipment that must be replaced. In the **Commonwealth's Attorney's office** there is a decrease of \$5,500 as new personnel were hired at lower salaries, and an increase of \$975 in capital outlay. He mentioned that an additional position requested for this office at a cost of \$112,000 is unfunded.

Mr. Slutzky asked if there is any anticipated increase in cases for prosecution next year given financial circumstances.

Ms. Denise Lunsford, Commonwealth's Attorney, indicated that there is no data to support that assumption. However, her office is understaffed by one position; they are working to correct some numbers the Compensation Board has because they control the number of positions the office is allotted. For some reason, since 2005, between 400 and 500 sentencings were not reported to the Sentencing Commission by the Clerk's Office. That is where the Compensation Board gets the information it uses to set the number of employees. She said the judge has been gracious and last week signed 80 sentencing orders for things that should have been reported years ago. By her calculations, under Compensation Board formulas her office should be entitled to one additional position once all of the numbers are corrected, assuming they will let the office correct numbers for several years into the past. She said they expect an increase in State funding of \$8,000 for an increase in salary of one position. Also, \$33,840 is shown for operations for her office, but OMB was going to recommend \$36,370, and she understands that will be adjusted as a supplemental appropriation.

Mr. Dorrier asked for an update on the Drug Court situation. Ms. Lunsford responded that she looked through the budget bill and could find nothing about it in terms of State funding. If the State reduces the funding for the court, the Drug Court Board will meet within the next 10 days to determine whether and how the Court can continue. She noted that the Drug Court is funded 60 percent by the State, with the remainder being paid from local funds.

Mr. Elliott pointed out that the Drug Court is a \$310,000 a year operation; \$180,000 comes from the State with the remaining \$130,000 split between the City and the County.

Mr. Slutzky asked that Mr. Tucker add the Drug Court to the list of topics to revisit so this can be discussed at the end of the budget work sessions.

Mr. Rooker asked how Albemarle compares with other areas in terms of the percentage funded locally for the Judicial categories. Albemarle is paying 44.0 percent of the costs for the Commonwealth's Attorney, 50.0 percent of the costs for the Clerk's Office, and 38.0 percent of the costs for the Sheriff's Office, and for the Courts the County funds the entire cost. He would like to have a better understanding of why Albemarle is paying such a large share of expenses for these constitutional officers.

Mr. Tucker said that several years ago the Board chose to supplement the salaries in the offices of the Commonwealth's Attorney (that enabled the County to hire very qualified prosecutors) and the Sheriff. Mr. Davis added that the State Code requires localities to fund health benefits for employees in these offices to the same level as that of Local Government employees. As Mr. Tucker indicated, the Commonwealth's Attorney and the Sheriff opted to become a part of the County's pay plan a few years ago and those salaries are now County-scaled rather than Compensation Board-scaled. The Compensation Board reimburses the County the amount it would otherwise pay for those salaries.

Mr. Elliott reported that there is a decrease in salaries for the **Sheriff's Office**, with new positions filled with individuals getting a lower salary, a reduction in overtime, and a decrease in net operating expenditures by \$7,735 – or 3.4 percent. He said the Sheriff is requesting additional capital outlay in the amount of \$7,800 for equipment for three replacement vehicles.

Mr. Elliott said the **Circuit Court** judge's budget is slated to increase \$1,887 due to small increases in line items and a \$500 capital outlay to replace some equipment; the **General District Court** is slated to increase \$3,600 with additional costs for shredding, copy expenses and office supplies as well as furniture; funding for the **Magistrate's Office** is level; with the **Juvenile Court** having the biggest increase which is associated with the opening of the new building – those expenses are shared with the City by a pre-set formula.

Mr. Rooker asked if it is common for localities to pay for administrative support (secretary to the judge) for judges. Mr. Davis responded that it is the case in busy court systems, and Albemarle is more frugal in that regard than many other localities. By State law, the County is obligated to provide adequate facilities to the judges and the courts operation. The new Juvenile Court Building will be more expensive to operate.

Public Safety

Mr. Elliott reported that the total recommended budget for the Public Safety category is \$29.2 million, approximately \$167,300 less than in the current fiscal year, with **Police** representing 42.0 percent of expenditures in this area, **Fire and Rescue** at 23.0 percent, and the **Jail** at 11.0 percent. He said there are 3.5 frozen positions in the **Police Department**, with three of those being officers, putting the County at 21 positions below the Comprehensive Plan service objective of 1.5 officers per 1,000 residents. He said their overall expenditures are decreasing by \$2,164. Part of that is due to a reduction in overtime. In the current year there has been a significant increase in Workman's Compensation premiums for Police and Fire/Rescue personnel. For the Police alone, it amounted to \$60,272.

Mr. Rooker asked if that experience is rated. Mr. Elliott said that in the last five years there have been some very large workman's compensation claims. It only takes one or two claims to increase that a large amount; Police and Fire/Rescue personnel have the biggest exposure.

Mr. Elliott said State funds for the **Victim/Witness Grant Program** were decreased by \$6,600 in the current fiscal year and that continues into FY '10; one of the two people in that office is now taking the County's health insurance. There is an outlay for \$67,300 in capital equipment in the way of machinery, communication equipment and supplies, and firearms replacement for the Police Department.

Mr. Slutzky asked if the declining economy is expected to create an increase in demand for police services in the community. How can that be reconciled? Mr. Elliott said staff looked at that in terms of staffing. There are three frozen police officer positions now which rewinds the clock back to about 2006 for level of force. The overall crime rate is about the same as it was in that time period. It could be concluded that given the economic realities, crimes such as burglaries, larcenies, etc. would likely increase. Thus far in this fiscal year, the Police Department has remained fairly consistent in terms of its response times to Part 1 crimes. There was some slip in the response time standard in the fourth quarter.

Mr. Slutzky said about 3,000 people have moved to the County since 2006, which by the standard set in the Comprehensive Plan would require two additional officers. He asked Chief Miller how comfortable he is with this staff reduction.

Chief John Miller said the County is down to 120 officers now and he is concerned because there are two officers retiring – one in April and one in June – along with a civilian position retirement today. As far as crime spiking, what is seen across the country from the Police Executive Research firm – the IACP – is that there has been no spike yet in crime.

Mr. Slutzky asked if Chief Miller is comfortable with this level of funding. Chief Miller said that he is today.

Mr. Slutzky asked if the two police officers who are retiring will be replaced. Chief Miller said that more than likely those positions will be frozen.

Mr. Slutzky asked if there has been an increase in gang activity. Chief Miller indicated that it has been observed in the City, the County, and surrounding counties – although it is not as prevalent as it is in the Valley.

Mr. Rooker emphasized that the Police Department's work in this area has been tremendous, and has minimized the impact gang activity has had in this community.

Mr. Elliott reported that the **Fire and Rescue Department** is proposed to have a \$6,797 decrease in its budget, and there is the continuation of the frozen recruitment and retention captain position in this budget. There is an increase of \$44,000 in compensatory time payout, which has not previously been budgeted; under FLSA they are required to budget for it. That expenditure increase is partially offset by a decrease in overtime of about \$30,500. There is an increase in workman's compensation of \$42,976, and net operating expenditures are slated to decrease \$51,366 with a decrease in capital of about \$6,600.

Mr. Rooker asked where the County purchases its workman's compensation insurance. Mr. Elliott responded that it is bought through the Virginia Municipal League (VML).

Mr. Elliott referred to Page 117 of the proposed budget. He said that for the current fiscal year there was \$121,341 budgeted for the recruitment and retention position, but this year that is proposed to be reduced to \$26,114.

Ms. Thomas asked what happened to the whole package of suggestions the volunteers presented last year. Mr. Elliott said that request will actually be coming to the Board on Wednesday as a current budget request; it includes \$157,000 for the volunteer incentive program. The proposal is to spread the \$157,000 over the next three fiscal years geared toward a leadership development program for officers within each volunteer station as a type of succession planning tool; the idea is to develop leadership capabilities within the volunteer departments. He added that there is a very active recruitment and retention subcommittee of the Fire & Rescue Advisory Board. The Fire/Rescue Department does not have an employee now who can be assigned to work with that group so it has been handled by Mr. John Oprandy, Assistant Fire Chief, and others. There is also funding through a grant for advertising and promotion; there is an effort to retain an agency to develop a marketing plan to promote awareness of volunteer opportunities within the fire/rescue system.

Mr. Slutzky said in his conversations with fire and rescue folks they feel there would be value in having Human Resources staff actively engage in the recruitment of volunteers. The more volunteers the County has the less career staff is needed which seems like money well spent. He asked why that position is not recommended to be filled. Mr. Elliott said the position ended up in fire/rescue because it was thought the individual in that position would have fire/rescue credentials, would know fire/rescue systems so could be utilized in areas beyond just volunteer recruitment and retention.

Mr. Slutzky said he thought that could be applicable to someone in Human Resources. Several people in the community have said they are apprehensive about the position being in Fire/Rescue.

Ms. Mallek said having an employee with a uniform and car is a more expensive than having an administrative person take on the recruiting task. Mr. Dan Eggleston, Fire Chief, commented that he generally has no objection to having this position located in Human Resources, but if the Board is really interested in moving forward with this, he would suggest that the Advisory Board revisit the current Recruitment and Retention Strategy Plan, discuss the expectations of that plan, and then decide if this position should be in Human Resources, in Fire/Rescue, or contracted out to a private firm. They need to go back and hammer out the expectations for this position before considering where it should be placed.

Ms. Mallek said the Fire/Rescue Advisory Board wants the position to be redesigned, not continued in the same way. Mr. Eggleston said since this position was added about five years ago, it has

been operating under a plan that was designed by the Advisory Board. If there needs to be a change, they should go back, revise that plan, and then decide who is best to execute that plan. Mr. Tucker pointed out that what is coming before the Board on Wednesday has been agreed to by the volunteers and staff. Mr. Eggleston agreed noting that it has been scaled down considerably since last year's budget session with the position aimed primarily at leadership training for the volunteers over a three-year period.

Mr. Elliott said Albemarle has been bucking the trend. Nationwide volunteerism has been on the slide, Albemarle has actually seen about a 2.0 percent per year increase. He thinks a lot of it is due to the recruitment and retention program.

Mr. Boyd asked Mr. Slutzky if he was proposing that this position be reinstated. At this time, it is a frozen position.

Mr. Slutzky said that is his inclination. He wants to clarify whether that position should be located in Human Resources, and how it fits into the overall strategy for volunteer recruitment and maintenance of the volunteer network. The County is heavily dependent on the volunteer system, and does not want to undermine that in any way.

Mr. Boyd said he agrees, but Mr. Elliott just said Albemarle is doing a better job than most other counties, so he would not want to go back and emulate what they are doing.

Mr. Slutzky said he does not think anybody is recommending that a position be created in Human Resources and then have it changed into something else. If the County is able to retain its volunteer basis, that is important. It sounds like the next step is to take up the whole question of the recruitment strategy and how this frozen staff position fits into that strategy. If the Advisory Board's recommendation should be that a part-time Human Resources position be implemented in the near term, he would not want that to be foreclosed with adoption of this budget. Mr. Foley said a Human Resources person cannot really speak to a volunteer about what a volunteer does. Maybe whether that person were an officer in Fire/Rescue is an issue.

Mr. Slutzky said he has had so many people tell him it should be a Human Resources position that he would not want to dismiss the idea. He said Human Resources recruits across the subject matter of disciplines in the County and this is simply one of them. He sees no relevance to the idea that they do not know about volunteer recruitment for the fire companies because they are HR employees; they recruit for all other types of employees in the County. Putting the question back to the Advisory Board and getting a recommendation from them sounds like the best plan.

Mr. Boyd said Mr. Slutzky did not understand the point he was trying to make. He wants to look at best practices for recruitment. He is not sure the best recruitment is not already in the individual fire stations.

Ms. Mallek said that is where the volunteers are coming from now.

Mr. Boyd said there are other things to consider such as the dormitory put in at Hollymead in order to get students. Did that work as a volunteer tool?

Mr. Slutzky said he thinks all of that should be a part of what the Advisory Board considers. He just wants the best recruitment strategy possible.

Ms. Thomas said there is often conversation in the community about things that could be done by many types of volunteers. Since Human Resources will probably not be as busy given their work slowdown from the hiring freeze, maybe a position could be assigned to work as a volunteer coordinator. Mr. Tucker said staff can talk to Ms. Kimberly Suyes in Human Resources about assigning someone to be a volunteer coordinator.

Mr. Rooker said there is an indication that there may be some expanded money for AmeriCorps to set up volunteer programs. He had sent an e-mail to Mr. Tucker recently about possible funding to clean up the ponds (catch basins) at the corner of Greenbrier Drive and Branchlands Boulevard across from the Senior Center. There is a question about whether the County can get the prisoner detail to do some of that work. He said VDOT will have little money to clean up along roads in the future, so the County will have to get creative about ways to get that done. Mr. Tucker said staff tried this several years ago and it did not work. Maybe it was how it was organized, but at some point there would need to be a person to organize and coordinate what the volunteers do.

Mr. Elliott reported that there is an overall decrease of \$40,600 in **Other Fire and Rescue Services**, driven primarily by the \$157,000 moved out of the volunteer incentive program. This is partially offset by an \$11,000 increase – 5.6 percent - in insurance premiums paid for the volunteer companies for property, liability, auto and accident. There is a decrease in the amount of funding that goes to CARS based on the call volume in the County versus the City; all the other volunteer departments are level funded over the current fiscal year.

Mr. Elliott said the **Forest Fire Extinction** contract is slated to increase, as is the fire contract with the City. The County is over budget for the **City Fire Contract** this year, as the call volume increased by 141 calls in FY '08 – a 9.0 percent - with an additional 5.23 percent increase projected over FY '00. He noted that the City is primarily called out for the Ivy area, the Pantops area and an area north

of town where they are back-up to the Seminole Fire Department plus several other areas such as Fifth Street. The call volume continues to grow.

Mr. Rooker said he wondered if the City is going out on calls already covered by one of the County companies. When he sees a response, he usually sees what he would call an over-response.

Mr. Slutzky asked if Emergency Services overreacts to calls. Mr. Eggleston said compared to the industry and other like-sized communities, Albemarle's response protocol for EMS is not unusual. However, they are always looking to streamline, especially considering the budget situation. The Advisory Board will be examining this issue to try and prioritize EMS calls. There are an increased number of calls from alarm activations, car fires, house fires, brush fires and other emergencies in the area.

Ms. Mallek asked if fire engines are sent first from the fire companies which have paid staff because they have more training. Mr. Eggleston said the protocol across the board requires that the closest unit be sent to an EMS call.

Mr. Rooker said his point is that a standard could be set by people internal to the business that then becomes a standard that may or may not make sense. He asked if it makes sense to send three trucks from different locations to a car accident. Maybe that is the standard, but he questions whether it is common sense.

Mr. Slutzky said that is two different issues. One is the number of people who end up at the scene over a period of time. He agrees that eventually they seem to overwhelm the scene. Second, Mr. Eggleston said the protocol calls for the quickest response particularly when there is human safety involved, and that makes sense.

Mr. Rooker said he just wants to be sure that from a common sense standpoint staff looks at responses to determine if there is an over response to certain situations. He thinks that is especially true when the City is called in because the County pays for their responses.

Ms. Mallek commented that you can't run a firehouse on \$122,000, so it is a good deal in many respects to pay the City to cover.

Mr. Rooker said all the Board members agreed it was a good idea to renew the contract with the City instead of making other changes the Board had looked at making. He said there is a significant increase over the base figure and it is something the Board does not control so is a budget item that can inflate. The Board needs to keep a reasonable reign over when the City is sent out. Mr. Eggleston said the Fire/Rescue Department is constantly reviewing response protocols to make sure they are appropriate for the level of call. A lot of this is a result of the call taker at the ECC. There are many cell phone users on the roads who call in to report every traffic incident, and that incident can be described in many different ways.

Mr. Boyd asked Mr. Eggleston if he had some way to code the degree of the incident and how many responded. As an example, he was at Applebee's one night and a fight broke out in the parking lot. Two fire trucks, a rescue squad and the police showed up. They basically broke up the fight, and the two guys left. Mr. Eggleston said that generally, for fire calls, they know how many people show up on the calls. Actually, the number of people responding to the scene in a reasonable amount of time is still below what it should be. He admits that there are times when it appears there is more apparatus on scene than there needs to be.

Mr. Boyd said he understands that, but feels there should be a record kept to show how many times that happens.

Ms. Mallek said the companies all record when they respond, so there should be adequate records.

Mr. Rooker said the ECC needs to be sure they are not over responding to calls so they initiate responses from many more companies than necessary.

Mr. Elliott said in terms of other Public Safety contributions, the County's contribution for the **ECC** is scheduled to decrease, as well as to the **Regional Jail** and the **Juvenile Detention Center**. All of these amounts are set by formula.

Mr. Rooker said this is the first time he has seen a decrease in the Jail contribution. Mr. Tucker said there has been a decrease in County inmate population, but the City's population has increased. He noted that the Jail is now 156 percent over capacity.

Ms. Mallek said she understands the State has completely quit on their obligation to take state prisoners away from the local jail. Mr. Tucker said that is true because of the bulging State prisons. In addition, the Jail Board has been looking at adding a minimum, security prison (which is possible when the jail reaches 156 percent over capacity), but the General Assembly is no longer offering any locality funds for capital expansion.

Mr. Elliott reported that there is a proposed increase of \$22,456 to the **SPCA**, although their funding request for \$377,000 was \$202,000 greater than the current fiscal year. He said they are concerned about the City's and the County's contributions toward the pound. He noted that the SPCA

contract actually contains a CPI adjustment which they have not used in the past. Staff aggregated all of those CPI adjustments and that \$22,456 increase represents an increase in the daily rate for dogs from \$100 to \$112 and for cats from \$50 to \$57.

Mr. Slutzky asked if that has been brought to the attention of the SPCA. Mr. Elliott said it has been submitted to them but they have asked that the County take a longer-term look at their overall costs, and staff is reviewing that now with the City.

Mr. Slutzky said at the public hearing there was a suggestion that if the City and the County did not carry the load the SPCA feels they are responsible for the SPCA might shift those pound responsibilities to the City and the County which would be more costly than the contributions presently being made. Mr. Elliott said the SPCA contract renews every December, and there is a 60-day out clause so they would have to notify the County by October 1 of each year whether or not they wanted to terminate the contract. If so, the County would have to pick up operation of a pound. In terms of a comparable, it is difficult for staff to find one, but the SPCA estimates the cost could be from \$500,000 to \$1.0 million a year collectively for the City and the County to operate a similar pound. Staff is looking to some peer localities for their annual operating costs. There is a benchmark with the ICMA for costs nationwide for animal services.

Mr. Boyd asked if there was any encumbrance put on the new SPCA building since the County contributed significantly to that building. Second, is the per day expense for a limited number of days per animal. Mr. Elliott said the formula is convoluted. Staff looks at a census at the end of the calendar year and the County pays based on what the census shows. That census is also reported to the Department of Agriculture. The \$500,000 contributed by the City and the County for the new facility has no encumbrance. There was a statement made at the public hearing that the City and the County contributions have remained flat, but that is not the case. About ten years ago, the County's contribution was between \$40,000 and \$60,000 a year. This year the proposal is for \$198,000.

Mr. Tucker noted that the no-kill policy implemented in 2005 by the SPCA – the SPCA did not inform the County of the change – increased costs significantly. He said the County has met the contract and that is not disputed. The Board needs to consider whether to stick to the contract, amend it, or open its own facility. It would be very expensive to do that and he does not think it is appropriate. But, he does not know that the County can afford at this time the amount of money they are asking for.

Ms. Thomas asked if staff knows what the County is required to do. Mr. Elliott said an animal must be held a minimum of six days to ten days. Mr. Tucker said staff met with representative from the SPCA last week and asked for information on what the State requires of the County.

Mr. Rooker said they have gone way beyond what is required, and so are incurring additional costs because of that decision.

Ms. Mallek asked how far beyond what is required are they holding animals.

Ms. Thomas said she understands they have done a good job of getting animals transported to other states, but that is also expensive. However, the no-kill policy was a very expensive decision.

Ms. Mallek said the Nelson County shelter (Almost Home Pet Adoption Center) transports animals to other states and it is done entirely by volunteers.

Mr. Rooker asked if the County is legally obligated to operate a pound. Mr. Davis confirmed that Albemarle is obligated to have a pound for unlicensed dogs, not cats.

Mr. Dorrier asked if counties like Chesterfield and Hanover have their own facilities. Mr. Elliott responded that the trends vary by locality, with some contracting with the SPCA and some operating their own pounds. It seems that the more rural counties operate their own pound.

Mr. Slutzky said he would like to see the no-kill policy continue, but the County cannot be held ransom either. There needs to be some meaningful discussion on this, and hopefully the situation will be resolved to the satisfaction of all parties.

Mr. Elliott reported that **OAR** and **Community Attention** are to be level funded. The Drug Court funding can be found in the OAR section.

Ms. Thomas noted that the Board amended the Strategic Plan to emphasize prevention in the safety field, and certainly OAR and the Drug Court are major aspects of a preventive policy.

Mr. Slutzky asked if the Drug Court should be added to the list.

Mr. Rooker said it is already on the list. He does not know that there has been any complaint about funding in this area, but there may be a deficit with the Drug Court depending on what was done at the General Assembly. Mr. Elliott said that for OAR, last fall the Board agreed to fund the County's share of their state cut which is about \$8,800 for the current year. The Drug Court was held harmless for the current year. The other element of OAR is the Mohr Center. He said a letter concerning this from Region 10 was forwarded to the Board members. That funding does not appear to have been reinstated in the final State budget.

Mr. Slutzky asked the amount. Mr. Elliott said it is \$86,000 in State aid. Staff is not sure at this time what the County's share of that amount will be.

Ms. Thomas asked that it be added to the list.

Public Works

Mr. Foley reported that Public Works represents about \$4.6 million of the total budget, with most of that allocated to **General Services** operations, the contribution to the **Rivanna Solid Waste Authority** as well as **Facilities Development** which oversees construction. He said this area has decreased about 1.7 percent - or \$80,000. In **General Services** there is an increase of \$69,000 or 2.0 percent. Although this budget includes two frozen custodial positions, there is an increase of about \$144,000 – or 23.9 percent - in utility costs for Local Government buildings and streetlights. He said the County has reduced energy consumption in its buildings - energy costs have been reduced by about 12.6 percent combined among the major facilities - but there is a 31.0 percent increase in power costs which will not yield any savings.

Mr. Dorrier mentioned that there are new lights that are more energy efficient. Mr. Foley said the County has done dramatic change-outs of lights and systems to try and take advantage of energy savings, which achieved that 12.6 percent. As an example, there are now photocells in streetlights, and staff is in the process of checking all of those to be sure they are working properly. Electricity cost increases are the big factor here. When energy costs are factored out of the General Services budget, it actually decreases by 4.7 percent or \$134,000 – including reductions to median mowing (A minimum of median mowing will be retained, but it will not be as frequent as in the past), maintenance contracts, storage building lease and rent, and travel/training/education.

Ms. Thomas said the amount for the Rivanna Solid Waste Authority shows a slight decrease. At the last meeting of the RSWA, the director said that certain services would not be covered by fees so it would generate requests for more contributions from the City and the County. She asked if the County should be putting more money into solid waste at this time. Mr. Tucker replied that some City members of the RSWA Board wanted to implement changes to the **Recycling Center** next fiscal year, but he does not think Albemarle can do that. There is to be a windshield survey and interviews done to establish where users of that center come from; use of that center has always been close to 50/50. He was concerned that if that idea is pushed, the County will be stuck with the total cost of the McIntire Center before the County can get a recycling center up and running. The RSWA should be the entity that handles recycling, not the City and the County handling it separately. If that were to be the case there would be no need for the RSWA which was created to coordinate those efforts for both the City and the County. He asked Mr. Mark Graham about the \$50,000 reduction for the RSWA.

Mr. Mark Graham, Director of Community Development, said that in prior years, there was uncertainty about what the County's share of the operation would be. The Memorandum of Agreement between the City, the County, and the RSWA provides a better understanding of the operating expenses than in the past so that amount can be cut down. The total appropriation of \$400,000 was not being spent, but was being carried over.

Ms. Thomas mentioned that the cleanup of the **Ivy Landfill** site is in the capital budget instead of in operating. She asked if that amount is staying steady; it is about \$1.0 million.

Mr. Boyd asked why the County had spent twice as much as anticipated in the current fiscal year on **Solid Waste**. Mr. Graham explained that some of the carryover money from operations was applied to environmental expenses, so it was essentially an accounting change.

Mr. Rooker said there was a study conducted to determine how solid waste disposal could best be handled in the community. He asked what has happened to that study.

Ms. Thomas said the Board will be talking about that study at Wednesday's meeting.

Mr. Foley reported that the **Facilities Development** budget has a decrease of about \$100,000 – or 13.2 percent - with a capital projects manager position frozen and some services are being contracted out and charged to the capital budget as a way to compensate for project fluctuations. Overall, that operating budget has decreased about 35.0 percent.

Mr. Slutzky said he would like to mention something that is not actually a part of this budget. He has been looking at ways to extend the useful life of some of the vehicles in the County's fleet. He had a preliminary conversation with Mr. George Shadman about a faculty member at UVA who has students converting cars to electric vehicles. That person is interested in having his next year's class convert a couple of fleet vehicles to determine their performance characteristics and then make sure an electric vehicle could satisfy those requirements. He thought the County might donate a vehicle (one that is about to be retired for scrap and which has virtually no value) to the UVA along with the cost of materials for the conversion. If the useful life of a vehicle could be extended and the cost of operating it reduced - electricity is much cheaper than gas - it might make economic sense to convert the existing fleet as it ages out. He will be presenting a proposal on this to the Board soon.

Mr. Rooker said that employees were added in this area several years ago based on plans in the CIP. Now, the capital budget has been cut substantially, and some transportation projects are not going forward. He thinks the Board needs to look at the number of people on that staff. There is a key performance indicator noted for this category and there are many capital projects in the works, but as those are completed it might be reasonable to freeze another position. Mr. Foley said staff has been looking at that suggestion, but he would like to clarify that the only position actually added to this area

over the last five-plus years is the one that's frozen right now. This operation was a part of the Community Development Department, then it was moved to General Services and then it was broken out and accounted for separately, so staffing has not actually increased.

Mr. Boyd said he thought the Board created an administrative position for it. Mr. Foley said a senior project manager position was converted to a director position and the salary increased. In terms of the total FTEs frozen positions, it has not changed.

Mr. Slutzky noted that the CIP projects have not been eliminated, only delayed for a year or more.

Mr. Rooker said he thinks they will be delayed much longer than that, so he thinks it is something the Board needs to keep in mind.

Human Development

Mr. Elliott reported that overall expenditures in **Human Development** are proposed at just over \$19.0 million – a \$220,345 increase over FY '09, with the biggest driver of that being the **Tax Relief for the Elderly and Disabled** – increasing over \$300,000 each year.

Mr. Rooker asked if that is the trend. Mr. Elliott said staff is seeing that trend in terms of the use of this program. It has been growing exponentially year after year and staff thinks that will continue into next year.

Ms. Thomas said it has been pointed out to her that the County does not have a cap on this program as some communities do. If this becomes an item that grows too much, the Board might want to look at its policy of what the County pays.

Mr. Slutzky said the County's ordinance gets close to \$200,000 in protected assets and that is quite generous.

Mr. Boyd said it can actually go a lot higher than that. He has discussed this with Ms. Thomas.

Mr. Rooker said it might be helpful to see how much of the cost is taking place at the high-dollar amount.

Ms. Thomas said if it is growing by numbers of people she would think that is probably a good thing. If it is growing by just a few people learning how to play the game she might not be in favor.

Ms. Mallek commented that the people she knows who use it have tiny little houses and acreage, so it's helping them to survive. Mr. Elliott said staff can provide some additional information on this, but it appears to be driven by the number of users.

Mr. Elliott reported that the **Social Services Department** budget is slated to decrease by \$127,000; there is an existing assistant director position and two office associate positions that are frozen; one of the office associate positions will be shared on a part-time basis with the Housing Office. There will likely be five or more positions taking advantage of the County's retirement. He noted that in this department, there are State dollars associated with freezing a position and that does not equate to the revenue savings of one FTE.

Mr. Slutzky said the department gets increased Federal dollars when some programs go up, so are there FTE requirements which are mandated by the Federal Government to provide services within a certain time window? Mr. Elliott said that is true. He suggested that the director of the department speak. He said caseloads are on the increase, particularly in the eligibility areas. There are a number of communities that are also facing the same dilemma, rising caseloads without the ability to bring on additional positions.

Mr. Slutzky asked if the County is required to meet performance standards so the loss of FTEs puts it into a problem area, or does it have the freedom to provide services more poorly? Ms. Kathy Ralston, Director of Social Services, pointed out that the department is not allowed to have waiting lists, so it must serve every person who "comes through the door" within certain program areas. Since they cannot keep up with the growing workload, their performance measures suffer. There is the potential for State sanctions. So far they have not had any sanctions, but they are breathing down the Social Service Departments neck to make sure performance standards are met on processing applications. They have been doing that through overtime work.

Mr. Slutzky asked if the current FTE level is sufficient to accommodate a reasonably anticipated increase in the demand for services. He asked if Ms. Ralston would counsel the Board to provide for some contingencies. Ms. Ralston said she is aware of the County's financial position now, and more acutely aware of the State's position and what they are not providing for the department. She said by the State's work load measures, the department is down 17 positions in FY '09. That does not take into account the increase seen since from last July to date.

Mr. Slutzky asked if she would be understaffed if caseloads were to climb and should the Board provide for that contingency. Does she feel the department can make it through with the current level of staffing no matter what happens? Ms. Ralston replied that the department is deluged now and they are not making it very well. They cannot meet all performance measures of the State. The President's stimulus package has money for Food Stamp administration, but its money over a two-year period so staff

won't likely be added. For eligibility staffing, it takes three or more months to recruit and hire someone and another year before they are able to handle a full caseload.

Mr. Slutzky asked if the Department is fulfilling their commitments now by paying staff to work overtime, and can she keep doing that? Ms. Ralston said that over the last few months there has been a lot of stressed staff in the office. She said they are not meeting their standards although they are processing cases. They are meeting their food processing guidelines, and are almost meeting the Medicaid and TANIFF guidelines, but are not meeting their timely response guidelines in Child Protective Services.

Mr. Rooker said to put this in perspective in terms of State, Federal and local obligations, over the years the County has picked up the State component of the cost for positions where the Federal Government was willing to fund its share of the positions, but the State was not willing to do so. He said the County's net cost for Social Services this year is about \$4.0 million. Are other localities also picking up the State's obligations in this area? He said it is not right that the Department is understaffed, and it is not right that the State has not funded the positions but they are able to mandate the number of positions the Department should have. He said the County has been stepping in to meet those obligations of the State. Even though the Federal stimulus money is only for two years, the County needs to utilize that money. Hopefully, the economic climate will improve in two years. He said the County does things that are optional, they are not mandated. Should employees be switched from doing things that are not mandated in order to adequately cover areas that are mandated?

Mr. Slutzky asked if the community could absorb those non-mandatory social services. Ms. Ralston explained that there are three non-mandated programs provided by the Department. They are: General Relief provides burial assistance to indigent individuals and the unattached Child Program helps to keep the foster care caseload down; the Bright Stars program; and, the Family Support program. The Family Support program has helped keep the number of foster care youth from coming into foster care. There is a similar pattern with the Bright Stars Program in that they are able to follow up with those kids through grade 5 to try and keep them on track.

Ms. Thomas said those are really good preventive programs.

Mr. Rooker asked how many staff members are dedicated to family support. Ms. Ralston said there are six.

Ms. Thomas said when she has to decide if she wants to tax people in Albemarle County anything, she has to decide if their money is being spent for something that is really necessary. Unfortunately, for the next couple of years, this is the area that will be the most necessary of all the things done by the Department.

Mr. Slutzky said the people being serviced by these programs do not have anymore belt tightening available to them. Ms. Ralston said if there is not a Family Support Program she has no doubt that the Child Protective Services caseload will increase. There has been an increase in that program of 52 percent since last January. Those cases are the ones that are the least severe so they can engage their Family Support workers in those cases to try and prevent those kids from coming into foster care.

Mr. Dorrier asked what percentage of applicants are illegal immigrants. Ms. Ralston said she did not know the percentage of applicants, but as to benefit programs illegal immigrants are not eligible for TANIFF, food stamps, and Medicaid. However, if there is an emergency such as an illegal immigrant having a child at UVA Hospital, Medicaid funds can be used to pay for the delivery if the individual meets all of the requirements of Medicaid.

Ms. Mallek asked about the loss of the Bright Stars coordinator and how that will affect the program. Mr. Elliott said the position was grant-funded as part of a pilot program through the State. A blended type of classroom was being developed. It took kids that were in Bright Stars and folded in private preschool operators as well.

Ms. Mallek asked if the program at Cale Elementary will stop. Mr. Elliott said Ms. Ralston is looking at ways to continue those services with existing staff. Ms. Ralston explained that most likely they will have to decrease some services to Bright Stars alumni in order to cover the Bright Stars classroom children. She said if these children age out to Jack Jouett, Burley and Walton, because the children are at high risk, there are family support workers in those middle schools. There is the potential that a case could be transitioned and kept going in those schools.

Mr. Rooker asked if follow-up testing continues. Ms. Ralston said it continues with the schools. There will be a report in the near future on the first graduates of the Bright Stars class; they will be graduating this year. To return to the question about how much money the County puts into the Social Services Department, she said the Board is not alone in asking this question. A study done by the Virginia League of Social Service Executives a couple of years ago indicated that localities throughout the State contribute about \$89.0 million a year.

Ms. Thomas asked about the three frozen positions in Social Services, which is more than in other departments. She is concerned and thinks the Board should consider unfreezing one of them to get started in the training necessary. There are going to be five vacant positions by those retiring this year.

Mr. Slutzky asked if any of the functions provided by the FTEs could be farmed out to contract support for a year or two. Ms. Ralston said the two office assistant positions could be filled by temporary positions that are not subject to benefits.

Mr. Rooker said employees in other departments could be moved around, but the situation in Social Service does not present that opportunity. He asked if there is any way for her to use volunteers. Ms. Ralston said that years ago there were volunteer coordinators in local DSS's, but those have gone by the wayside because of funding cuts.

Mr. Rooker said he has heard that the President's stimulus plan is making money available to AmeriCorps, so it is something that might be looked at for help.

Mr. Slutzky suggested to Mr. Tucker that two placeholders be put on the list – 1) examining the issue of unfreezing a position in the Social Services Department and 2) providing an additional contingency for farming out services to third parties if there is a dramatic increase in demand for those services.

Mr. Rooker acknowledged that the Albemarle DSS received the Senate Productivity Award a couple of years ago - competing against private enterprise and public enterprises – as one of the best-run organizations in the State.

(At 4:20 p.m. the Board took a recess, and reconvened at 4:31 p.m.)

Mr. Elliott reported that under the **Comprehensive Services Act**, the proposed transfer is slated to go up \$74,300. There was a change in the formula in January of this year so localities will pay a greater percentage of the cost for children in congregate care and a lesser cost if they can be kept in the community. A year ago, the proposed increase was \$144,000, and this year it is proposed to increase \$74,300. Despite the increase the State is proposing on localities for cost of congregate care, the Albemarle DSS and CSA have been proactive in keeping children in the community so will be taking advantage of the lower costs. The increase is attributable to the aging CSA population. Children are entering the system later in life and remaining until they are 18 if they are eligible to continue receiving services. The County continues to be impacted by unregulated vendor rates since the State has no cap on those rates. There was a possibility the General Assembly was going to increase the match rates, but they may be held the same as they were in January, 2009; staff is not certain what they will be since the State budget was just passed Saturday.

Mr. Elliott reported that there is an increase in **Human Development** agencies (pages 143 to 147); for some reason **the Tax Relief for the Elderly and Disabled Program** is included in this area. Some agencies listed in this section will show significant percentage changes because of two changes. The **dental program** that was previously funded by the Health Department is being transferred to the **Free Clinic**. In addition, the **Jefferson Area CHIP** has formed its own 501(c)(3) so funding from the Health Department and MACAA will be going to that agency and will show as an increase while there will be a corresponding decrease in the other agencies. For all of the other agencies reviewed by the Child & Family/Albemarle Budget Review Team, funding remains relatively flat. If the agency scored exemplary or solid there were held harmless, if they scored as adequate they received a three-percent reduction, and those scoring poor were not recommended for funding in FY '10. Thirty agencies sought funding under Human Development, but five were unfunded including the African-American Teaching Fellows, Best Buddies of Virginia, Big Brothers/Big Sisters, FOCUS Teen site and the Quality Community Council.

Mr. Elliott said that last Wednesday **JABA** requested a 1.2 percent increase (which is a minimal \$3,345 increase), but staff is recommending level funding in order to be equitable since all agencies were told the County would not be in a position to increase funding. **JAUNT's** original request was \$234,000 greater than in FY '09. The increase included a two-percent merit increase, fuel budgeted at \$3.69, and new initiatives including routes to NGIC, shuttle service to Crozet, and several system-wide initiatives such as additional drivers, expanded marketing, uniforms and a second assistant director position. He said JAUNT revised that increase down to \$150,950 – a 21 percent increase – which would essentially cover the expected reduction in State funds of almost \$98,000. They also factored in a baseline increase for the County at \$63,000, with the level of passengers anticipated for FY '10 being only 1,000 more than FY '09.

Ms. Thomas said the Board puts aside money in capital each year for the State's Revenue Sharing Program. Is VDOT continuing that program? Mr. Tucker said it his understanding that they will not be continuing it next year.

Ms. Thomas said if that is the case there is no need for the Board to put money aside for a program that will have no activity. She said it is transportation money so has some relationship to whether rural roads are paved or the Board provides a job service. Mr. Tucker said that money has already been taken out of the budget.

Mr. Boyd said the other issue is what the County would do if the State reinstated that program. If it were a four or five year decision, that would make it easier to shift the money.

Ms. Thomas asked that this idea be put on the list for review later in these work sessions.

Mr. Dorrier asked that staff look at a suggestion made last week that there be a doubling of fares for JAUNT and also ridership in the Esmont area. There is a problem down there. Mr. Elliott said if the \$150,000+ is addressed, there would be no reduction in routes or services.

Mr. Rooker added that he wants to make sure the County is not subsidizing JAUNT routes into Buckingham County and other places in the outlying areas, which might be long, unprofitable routes.

Mr. Slutzky said it is important to understand that to the extent they talked about doubling the fares for some users and eliminating service on certain days, it is a function of the constraints on what they are allowed to do. They would only be able to do that on some routes.

Parks, Recreation and Culture

Mr. Elliott reported that the total proposed allocation for **Parks, Recreation and Culture** is \$6.4 million – an increase of \$80,154 over the current fiscal year – and this area includes Libraries, which constitute about 50 percent of total expenditures; Parks and Recreation totaling 35 percent; and agency contributions totaling about 13 percent. He said the budget for the **Parks and Recreation Department** is down about \$70,000, and there is one frozen position for a parks foreman as well as a reduction in part-time wages for seasonal assistants particularly in the summertime, the summer swim program and some recreational classes. There are increases associated with park maintenance costs and some vendor contracts - contracts related to refuse removal, temporary toilets in some parks, and an 11 percent increase to the City for the therapeutic recreation program. He also reported that the General Fund increase for the **Darden Towe Park** is \$4,180 while the overall expenditures are just under \$6,300 – as vendor contracts have increased along with the number of employees using the County's health/dental insurance.

Mr. Rooker mentioned that there has been a discussion about equalizing the charges for City and County residents at the facilities of each, as there is currently a disparity based on residence. Mr. Pat Mullaney, Director of Parks and Recreation, explained that the City has an acting director and will probably not hire a new director until May, so there has been discussion awaiting the new director. One thing discussed earlier was that some senior golfers requested equal fees for City and County residents. The City golf is an enterprise fund which pays for itself. There were discussions about City golf fees versus County beach fees but it has not been discussed with the acting director.

Mr. Rooker said he had four or five constituents ask why County residents are charged more than City residents and vice versa. If the County shares Darden Towe Park and other facilities, he thinks it should share in equal rates. Mr. Mullaney said since the golf facility is an enterprise, the County would need to agree to cover expenses if fees collected were not sufficient to cover the expense.

Ms. Mallek asked if the County would be subsidizing the golf course. Mr. Mullaney said "no." The Meadow Creek golf course is a self-sustaining activity and they did not want to give non-residents the same fee as City residents for fear it would reduce overall revenues and they would not break even anymore. Mr. Tucker said the County might have to help cover expenses if there were equal fees and costs were not covered.

Mr. Rooker said the same thing could be said for the County's lakes. Mr. Tucker agreed, stating that the conversation is related to a *quid pro quo* for golf fees versus lake fees.

Mr. Elliott said the **Visitors' Bureau** is slated to increase \$161,000 – or 30 percent – just over \$707,000. The funding formula for the Visitors' Bureau includes a portion of the transit occupancy tax. This is a lag year so the revenues associated with this were collected in years past; he noted that an artificial bump was created from a property that hadn't been collected on, so this will likely go down next year as a result as well as the economic slowdown. He said the **Regional Library System** is level funded at \$3.17 million; they indicated that at level funding hours might have to be reduced on Sundays at the Northside Library or another branch.

Mr. Boyd asked if salary increases were being given to library staff this year. Mr. Elliott said "no." Mr. Tucker said the Library is on the City's pay plan and the City is not giving salary increases to general employees.

Mr. Elliott reported that in terms of recreational and cultural agencies, 18 agencies sought funding from the County this year, but five are not recommended primarily because they were new applicants; all others were level funded. He said **Save the Fireworks** did not submit a funding application on time and thus were not recommended for funding.

Mr. Slutzky asked why **WHTJ** was not considered. Ms. Vinzant said they did not submit an application this year.

Community Development

Mr. Foley reported that **Community Development** comprises about \$7.5 million, or three-plus percent of the General Fund operating budget. He said 66 percent of that is in the department itself – it has gone down about \$328,000. In Community Development and Inspections combined there are 7.5 frozen positions now reflecting a significant reduction in development activity; revenues are expected to decrease by about \$670,000 or 43 percent. There have been significant reallocations of staff which is appropriate given the significant workload reductions.

Mr. Foley said operating costs are decreasing by about 30 percent, and the Community Development part of the budget – excluding Inspections – continues 2.5 frozen positions from FY '08, and

three frozen positions from FY '09; there is a \$40,000 reduction in master planning expenses but the master plans that are underway and expect to be completed in the next fiscal year are fully funded. He said the other part of the reduction in operating expenses is the elimination of expansion of the **Groundwater Monitoring Program**; there are three or four wells in place now that continue to be monitored but new ones will not be drilled; assessment of groundwater continues.

Ms. Thomas mentioned that volunteers can be trained for the type of well monitoring being done now. Mr. Foley said there is one position assigned to groundwater and that position is being continued.

Mr. Rooker said there was also the question of whether or not existing wells could be used for some of the testing.

Mr. Foley said one planner position was unfrozen in FY '09 as a result of the fee increases approved by the Board. He confirmed that both inspections and plan reviews are down dramatically so staff will continue to look at the workload between departments. There is a 9.1 percent decrease in local revenue – or \$52,000 in fees. In Community Development one GIS planner has been moved to the Finance Department to assist with their work. In the Inspections Department there is a \$61,000 increase overall – or 5.8 percent - which reflects the one position filled because of the fee increases.

Ms. Mallek asked if this person is cross-trained to do roadway inspections so bonds can be released. Mr. Foley said “yes.” In fact, inspectors have been cross-trained to do different jobs throughout as a part of the downturn in the economy.

Ms. Thomas said that because banks are not renewing bonds, Mr. Graham told her that major work will have to be done by either developers or the County; there is more activity than expected, although it is a different type of activity.

Mr. Foley said two positions remain frozen from FY '08. When the position that drove the cost up is taken out there is a 22 percent decrease overall in operations. There are three inspectors who are working part-time in the office of **Facilities Development** doing inspections for construction projects at the County schools. Staff has talked about reallocating them to the revalidation process for the Land Use Tax Program, as well as some of the assessment work needed to keep that process going in the future. He said there is a \$619,000 decrease – 64 percent in local revenue – related to Inspections.

Ms. Mallek asked if the contractors for the School projects hire an inspector as was done with the last Airport project, or is inspection of the project left to County staff. Mr. Foley responded that there are inspectors on staff, and the County also contracts out this work, but it would be a part of the contract costs. The County is not contracting out now since employees with that background are being retained to do that work. He said Inspections staff is also working on the Sign Program.

Mr. Elliott reported that the budget for the **Office of Housing** is slated to decrease by about \$38,800 due to the \$40,000 reduction in the eight-year Woods Edge rental subsidy; and, in addition to that, the Homebuyers' Assistance funding is maintained at \$250,000.

Mr. Rooker said he thinks the Board should consider whether the operation of the Homebuyer's Assistance Program could be contracted out. He suggested contacting CAAR (Charlottesville-Albemarle Association of Realtors) to consider the most economical way to provide that program.

Ms. Thomas said the Resource Management consultants asked if the Piedmont Housing Alliance and AHIP should be put together in that kind of program.

Mr. Slutzky said the recommendations of the Affordable Housing Task Force included an ombudsman position that would centralize a number of these functions so they are all carried out at one single place - there is a lot of redundancy both in the County's budget and then outside among private parties.

Mr. Boyd said it is also in the City's budget.

Mr. Slutzky said UVA also has an office where they provide advice to employees, and it includes people working in that category.

Mr. Rooker said this looks like an area where this service could be provided more economically.

Mr. Elliott reported that in terms of **CTS, MACAA, Soil and Water Conservation** and the **Virginia Extension Cooperative Service**, there are changes. For the Extension Service there is a \$5,800 increase due to rent which is offset in the budget by revenue, a small increase to the County-funded position for the Soil & Water Conservation Service, and for MACAA, CHIP has moved to be a 501(C)3. He said 11 agencies sought funding under Community Development agencies, and nine are recommended for level funding; the **Community Design Center** and the **Southeast Rural Community Association** projects were not recommended for funding.

Non-Departmental

For non-departmental items, Mr. Foley said the **City/County Revenue Sharing Agreement** increased by 32.3 percent. The **Transfer to the School Division** has an operating decrease by one-half of a percent or \$536,000; the Superintendent's requested budget is under-funded by \$877,000 but they

have taken into account the change in revenues and the School Board's request incorporates what the County budgeted. There is a significant increase in **School Debt Service** – just over 15.8 percent – the second largest increase in the budget beyond Revenue Sharing, and a small 3.4 percent increase in **Capital**.

Mr. Foley said on the General Government side for capital and debt, there has been a significant increase in **Debt Service for General Government** projects at 44.0 percent or \$854,000; the offsetting significant decrease is in the amount transferred to **Capital** which is down about 90.0 percent or \$7,611,000. There is a significant decrease in the **Stormwater Program** in terms of the amount of money transferred to that program, but most of that money is for future projects not yet planned; there is enough balance in the Stormwater Fund to fund everything currently under construction or planned.

Mr. Slutzky asked if the General Fund transfer to Capital is more than three cents on the tax rate. Mr. Foley said "yes" in fact it was roughly equivalent to 15 cents. He said \$19.8 million is transferred from the General Fund to Capital, and of that amount only \$2.1 million will remain after paying Debt Service because of the reductions; that will be mostly for maintenance, things that have to be done and for which money cannot be borrowed.

Mr. Foley said the budget reflects a \$100,000 **Board Reserve**. In the past that number has been closer to \$300,000. The **Salary Reserve** - which is for classifications that go on through the year - is about \$100,000 down from what it has been in the past. Also shown is the 2.5 cents on the tax rate which is equivalent to \$3.9 million for the **Contingency** in the budget. He pointed out the negative number of \$589,000 which is the amount in this budget for 15 additional frozen positions. He said it shows as a negative number because it will appear in other sections of the budget as those vacancies become available. It is an important item in balancing this budget. In addition, there is a one-time amount shown for payout under the VERIP program.

Agenda Item No. 3. From the Board: Matters not listed on the Agenda. There were no other matters presented.

Agenda Item No. 4. Adjourn to March 3, 2009, 2:00 p.m. at CitySpace, for a Joint Meeting with the Albemarle County Service Authority Board of Directors (ACSA), the Charlottesville City Council and the Rivanna Water & Sewer Authority Board of Directors (RWSA).

There being no further business, at 5:09 p.m., **motion** was offered by Mr. Boyd that the Board adjourn this meeting to 2:00 p.m. at CitySpace for a joint meeting with the Albemarle County Service Authority, the City of Charlottesville and the Rivanna Water & Sewer Authority Board of Directors (RWSA). Mr. Rooker **seconded** the motion, which passed by the following recorded vote:

AYES: Ms. Mallek, Mr. Rooker, Mr. Slutzky, Ms. Thomas, Mr. Boyd and Mr. Dorrier.
NAYS: None.

Chairman

