An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 8, 2010, at 9:00 a.m., in Room 241 of the County Office Building on McIntire Road, Charlottesville, Virginia. This meeting was adjourned from March 3, 2010.

PRESENT: Mr. Ken C. Boyd, Mr. Lindsay G. Dorrier, Jr., Ms. Ann Mallek, Mr. Dennis S. Rooker, Mr. Duane Snow and Mr. Rodney Thomas.

ABSENT: None.

OFFICERS PRESENT: County Executive, Robert W. Tucker, Jr., County Attorney, Larry W. Davis, Deputy Clerk, Meagan Hoy.

Agenda Item No. 1. The meeting was called to order at 9:00 a.m., by the Chair, Ms. Mallek.

Agenda Item No. 2. FY 2010-11 County Budget: Work Session.

General Government Work Session

Overview:

Mr. Tucker explained that starting today the Board has before it the “important and challenging work” of reviewing the recommended budget and coming to a final conclusion to put forward in their proposed budget, which will be presented in a March 31st public hearing. He reported that the total recommended operating and capital budget is $293.8 million, reflecting a total decrease of $10.3 million – or 3.4% - from the current adopted year’s budget, and a decrease of $40.0 million – or 12% - from the FY09 adopted budget. Mr. Tucker noted that staff has worked diligently as with past budgets to find savings, incorporate efficiencies, and reduce/reallocate staff to respond to the new economic realities faced. Even with the scaling back, he said, the recommended budget comes with some difficult and painful choices that change services in the community – but none were made lightly or without careful scrutiny.

Mr. Tucker stated that the there were a number of budget reduction principles applied to this budget. The first principle used in preparing the reduced budget was to make decisions from a perspective of sustainability and a repositioned organization, adding that throughout the budget these points are referenced. This budget is not about short-term, temporary fixes, but rather it focuses on meaningfully reshaping our organization and our operations. He added that the County needs to look beyond the budget of upcoming fiscal years, where there will continue to be significant imbalances. Mr. Tucker said that in FY12 there are still revenue shortfalls predicted, so the reductions are not just a way to stay afloat until things turn around, but a thoughtful repositioning to allow the County to reemerge as a strong, stable organization. The second principle is to maintain core services to the greatest extent possible, especially essential human and public safety services. Mr. Tucker commented that these core services are critical when the focus is on strategic reinvestment or how the organization is rebuilt should additional revenues become available beyond what is envisioned in this budget. Mr. Tucker said over the next couple of weeks, he knows that everyone will be considering the highest priority places to add back funding if it is available. The County’s leadership team is particularly concerned about sustained reductions to core public safety services and to the capital program as examples of priority reinvestment possibilities. He added that another principle is to ensure equitable consideration across all service areas, and to evaluate reductions to community agencies previously held harmless using the same criteria utilized for other local government programs. Mr. Tucker noted that agency funding was considered in the same way departmental programs were evaluated – protecting direct, essential services to the greatest extent possible and keeping people as a main priority. Mr. Tucker said that another principle is providing services in less costly ways such as consolidation and privatization, giving priority to programs and services that support the organization and the community’s future over those that respond primarily to past needs and circumstances, centralizing functions across local government, and avoiding reductions that appear to create savings but instead shift costs to other areas of the organization or delay costs to the future.

Mr. Tucker said this budget demonstrates the cumulative outcomes of the reduction process of the past several years, using those principles as a guide – such as aggressive reductions in expenditures of $40.0 million over the past two years; lowering local government staffing to the 2002 per-capita level with an additional 23 positions eliminated, frozen, or offset by other revenues for a total of 78 positions. He explained that the largest departmental reductions from FY09-11 occur in the Fiscal Management Services and Community Development areas, with the smallest reductions occurring in Public Safety and Human Services – which are the areas they are striving to protect. Mr. Tucker noted that the County has maintained its commitment to the established school funding formula, which directs 60% of new local revenues to the School Division and 40% to local government – recognizing that there is fiscal pressure coming from State funding sources.

Mr. Tucker explained the budgeting process used historically, with an opportunity for questions for staff and agency representatives at the end of each functional area section reviewed. He stated that if the Board finds programs or services that should be further reduced, or increased above what is recommended, the past procedure has been to add that item to “the list.” Mr. Tucker said that staff keeps a running tab of that list and at the end of the last work session, it is determined how the proposed budget will be balanced. He said that the discussions would begin with the General Government budget details today, with the School budget coming forth on March 10th, the CIP review on March 15th, and then a continuation of General Government.

Revenue Summary

Mr. Richard Wiggans, Director of Finance, addressed the Board, presenting an overview of revenues for FY11. He added that he will also provide an overview of expenditures for FY11. Mr. Wiggans said that from FY09 to FY11 there has been a significant reduction in General Fund revenues – a cumulative reduction of almost $12.0 million. He said that the real estate, personal property, sales tax, business license, state revenue, and interest income have all declined in that two-year period. Mr. Wiggans emphasized that during that same timeframe, there has been a significant increase in mandated or obligated expenditures for the General Fund – over $7.0 million – with the biggest portion being the City Revenue-Sharing Agreement, increasing $4.8 million during that time. He added that there have also been expenditure increases in the Tax Relief Program for the Elderly and Disabled, the Fire Contract with the City, and health insurance and VRS coverage for County employees.

Mr. Wiggans presented a summary of the FY11 budget versus the FY10 budget, explaining that general property tax revenue – including real estate and personal property – is down $3.8 million or 2.7%; other local taxes – sales tax, meals tax, business licenses – have decreased $3.1 million or 6.9%. He noted that EMS cost-recovery revenue is up, budgeted at about $450,000 in FY11 – the primary driver for that increase. Mr. Wiggans mentioned a significant decline in State revenue of almost $1.5 million or 6.5%, and a slight increase in Federal revenue, as well as a slight increase in transfers primarily due to the payment of the employees in Community Development and Facilities Services Departments who are covered by capital funds. He reported that the General Fund revenues are expected to be $6.4 million less than budget in FY10 – about a 2.9% decrease.

Mr. Wiggans said the budget was prepared and is balanced with a 74.2-cent tax rate, noting that the County experienced a decrease in real estate values in the January 2010 reassessment by about 3.18%. Mr. Wiggans said that each one-cent on the real estate tax rate equates to about $1.5 million. He added that the equalized rate is the tax rate that would generate approximately the same amount of revenue in FY11 as was generated in FY10 – with the 3.2% decrease in reassessment, the equalized rate is 2.4 cents above the current 74.2-cent rate.

Mr. Boyd asked if when the expenses were shifted from operating funds to CIP, if those dollars were already in the CIP and the operating budget both.

Mr. Tom Foley, Assistant County Executive, explained that it is a transfer from the Capital Fund to support the operations in the General Fund for that office.

Mr. Rooker restated the question and asked if you looked at this before, and you look at it now, what is the difference in where those expenses are reflected?

Mr. Foley responded that about 80% of the operating costs of running that office were in the General Fund in the current year, but there were two positions being directly funded out of the Capital Fund – so they moved all expenses to the General Fund, and just did one big transfer to cover all expenses.

Mr. Boyd clarified that there is technically no savings of money then. Mr. Foley said that is correct. He added that the money is coming from some of the cash transfer that the Board transferred from General Fund property taxes and borrowed funds. Whatever it takes to get the projects done is what staff is transferring over; and there are different sources in the Capital Fund including proffers, interest earnings on capital, borrowed funds, and cash that the Board transferred from the General Fund.

Mr. Wiggans said that the values of real estate changed from the January 2009 reassessment to the January 2010 reassessment at different percentages, adding that the bottom line was the 3.18% decrease as previously mentioned. He reported that for single-family urban and suburban, the percentage decline was almost 4.4%, with 3.5% for suburban and .6% for commercial.

Mr. Boyd asked if the decline affects properties in land use. Mr. Wiggans responded that the values will decline.

Mr. Wiggans said the staff is seeing declines in the major General Fund revenues. Mr. Wiggans noted that real estate revenues are down $1.9 million, sales tax is down $1.4 million, personal property is down almost $2.0 million, and funding from the State for the General Fund is down about $1.5 million; these are all decreases from FY10 budget to the FY11 recommended budget.

Expenditure Summary

Mr. Wiggans reported that there is a slight decline from what was adopted in the FY10 budget of about $1.0 million or 1.2% across the board in General Government operations, Fiscal and Management Services, Community Development services, Judicial services, and Community Service agencies. Mr. Wiggans said that the Revenue-Sharing Agreement is up about $4.0 million – a 2.3% increase, with the transfer to Schools down about $4.0 million or 4.1%, and a decrease in transfer to Capital and Debt because of the decline in revenues, and an increase of $800,000 in reserves that is primarily in the revenue contingency reserve recommended for FY11.

Mr. Wiggans said some of the factors affecting the General Fund expenditure budget are no salary increases (for the second year); an 8% increase in health insurance costs and a 5% increase in dental insurance costs; and an increase in the VRS retirement rates from 13.5% to over 15%. He reiterated that this budget includes an additional 23 frozen, eliminated, or offset positions – there were 55 positions in the FY10 budget with the additional bringing the total to 78. Mr. Wiggans explained that 60 of the 78 positions are recommended to be eliminated, 10 positions are recommended to be frozen, and 8 positions are to be offset by other revenues. Mr. Wiggans also indicated that there is an additional 4% that has been taken out of departmental operating expenses, including the elimination of the IT Enterprise Agreement – which saves approximately $100,000 but will delay hardware and software replacement/upgrading throughout the organization. He reported that there is limited capital outlay within the General Fund budget, and there are no new initiatives in any of the General Fund departments in FY11.

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Functional Area Detail

Administration

Mr. Foley said that most of the savings realized in position reductions has been in the area of Fiscal and Management Services, and Community Development which was by design to try to protect core services, human services and public safety. He stated that 57 of the 78 positions – or 73% - are in those two areas, which comprise only about 26% of departmental operating expenditures. Mr. Foley said that **Fiscal and Management Services** comprises about 17% of total departmental expenditures and breaks down into general business operations – including the Board of Supervisors, County Executive, Information Technology, Human Resources, Finance, and Voter Registrar. He added that the other portion comprising about 23% in General Services is **Facilities Management** and Support – including buildings and grounds maintenance operations, custodial services, the copy center, environmental management and stormwater, and the Rivanna Solid Waste Authority – at about 2%, a contribution to Rivanna of approximately $350,000. Mr. Foley emphasized that these departments run the day-to-day operations of the County government – assessing property, collecting taxes, paying bills, maintaining buildings and grounds, training staff, and issuing paychecks. It is basically the day-to-day functions.

Mr. Boyd asked about the 8% represented as Human Resources, and noted that it just includes County government. Mr. Foley responded that it only includes local government, and they do a transfer of about 25% of the total cost of the HR department as the local government share. There is also organizational development which is paid at 100%, and Schools are paying in some revenue to offset the use of the County's training program, which they hadn't originally bought into.

Mr. Foley said that during the two-year period, 24 positions were impacted in Fiscal Management Services – or 29% of staffing changes; there has been a 5.7% decrease or $834,000 over that timeframe. Mr. Foley added that this number would likely be closer to $1.0 million, except for a few strategic reallocations done to help generate revenues. He emphasized that with the exception of positions offset by revenue to pay for the position, none of the other frozen positions have been funded, as there is no money set aside for them. Staff have tried to use the language 'frozen' to mean they think this is a core position that they are figuring out how to get by without filling right now, but it is one that they feel is important to County operations as they go forward. Mr. Foley added that there are three positions in Fiscal and Management Services that are considered to be pivotal in ensuring County staff does a quality job going forward, but they are not funded in this budget.

Mr. Boyd asked if the School Board had adopted this same philosophy, as they were still planning to fund their frozen positions when the two boards last met together.

Mr. Foley explained that they had actually held the monies but not filled positions; he is not sure in this year's budget what they have planned.

Mr. Foley said local government's objective is to reposition itself and find out where it has cut services for the long-term, and where it thinks there are a few places that are critical that eventually it is going to need to fill that responsibility. He added that the key issue in Fiscal and Management Services is improved efficiency, but changes have also positioned operations for the future by restructuring and reallocating staff to core areas of responsibility.

Mr. Foley reported that there is a decrease of 2.6% or about $15,000 in the **Board of Supervisors** area. Staff is recommending eliminating its associate membership in the Virginia Municipal League and the Virginia Institute of Government. He emphasized that the County has shifted its focus to economic development through its memberships in the Thomas Jefferson Partnership for Economic Development and the Chamber of Commerce, which are funded as "membership dues" in the Board of Supervisors' budget. Staff has recommended continuing full membership in the Virginia Association of Counties.

Mr. Rooker suggested that VML be put included on the list of items for consideration, noting that during the legislative session it was noticeable how much they lobby on behalf of localities and the County needs as much help there as it can get. He added that VML provides extremely valuable information about the legislature and potential legislation.

Mr. Dorrier asked what the annual cost for that membership is.

Mr. Snow noted that it is listed in the budget at $15,000.

Mr. Foley reported that there is recommended a .6% reduction ($6,000) in the **County Executive's** office, but there has been a 10% reduction in this office over the last two years – reflecting some of the position changes. He said that there is decreased support for marketing the ACE Program, but there is still about $1,000 for marketing the level of the program that will be continued. Mr. Foley added that they have eliminated funding for the Alliance for Innovation at about $5,000 – but membership in the International City/County Management Association will be continued as it provides access to valuable best practices information and research. He also said that a Management Analyst position has been reassigned from the County Executive's office to the Office of Management and Budget, shifting to more of a core function.

Mr. Rooker asked what percentage of the Chamber of Commerce's budget locally is going towards political ads, noting that they have been running numerous ads nationally in support of one party. He does not think it is appropriate to belong to an organization that is spending County money to run political ads. He added that he is interested to know what percentage of their funds is being used for those ads. He does not support it being an advocacy group in the political arena.

Mr. Foley reported that there is a 5.3% increase – or $33,000 – recommended for **Human Resources**, with about $25,000 of that earmarked for classified school employees participating in County training programs – fully offset by the schools with revenue in the General Fund.

Mr. Boyd asked if the training is external. Mr. Foley responded that it is in-house training. Mr. Boyd noted that it is still paid for with taxpayer dollars whether the funds come from local government or schools. Mr. Foley agreed.

Mr. Foley explained that the rest of the increase in Human Resources is in benefit costs for that department. There are no increases in the **County Attorney's** office other than covering benefits - $15,338 or 1.7%.

Mr. Foley stated that there is a 4.4% increase – or $17,480 - in the **Finance Department**, as a Business Auditor position has been unfrozen to focus on tax collection, sales tax, and other revenue sources. Mr. Foley said that they have reallocated the Building Inspector position to create the Land Use Appraiser position to focus on the Land Use Revalidation Program, emphasizing the importance of staff monitoring of that program.

Ms. Mallek asked about the potential return for the Business Auditor position.

Mr. Wiggans responded that there were about 25 to 30 applications and the staff would be conducting interviews in the next three to four weeks with the hopes of bringing that person on board by the end of the fiscal year.

Mr. Foley added that staff would try to pull that position out somewhat to be able to provide specifics.

Mr. Rooker noted that the efficiency study recommended that someone be put in that position – especially to focus on sales tax revenue. He said that the County had wanted to contract that job out, but due to confidentiality requirements those records cannot be released outside of a government office.

Mr. Snow asked if internet sales would be covered by this new position.

Mr. Foley explained that the Business Auditor would look at internet sales, and staff has already begun that process. He added that the County is anticipating about $2.0 million in rollback taxes by going to a Revalidation Program, so the investment in that is already yielding results.

Mr. Rooker asked about the status of Senator Emmett Hanger's proposal to tax internet sales.

Mr. Tucker commented that all of that is collected by the state, and localities have very little control.

Mr. Davis said that the only control localities have is to make sure that it's being allocated correctly to them, but the County has no control over what gets collected. At this point Virginia has resisted aggressively imposing taxes. He added that this is being debated at the national level also. Mr. Davis added that he does not think Senator Hanger's proposal has gone anywhere.

Mr. Foley reported that there is a slight increase, 0.6% - or $15,150 - recommended for **Information Technology**, which reflects benefit changes, and the proposed budget eliminates the Microsoft IT Enterprise Agreement – which provided automatic updates as new upgrades became available that now will be done on a limited basis as needed. He noted that this would save about $100,000 distributed across all departments.

Mr. Foley said that **Voter Registration and Election** operations will have a 4% increase, - or $17,719 - primarily due to the $30,000 contingency for a primary election, if needed.

Mr. Boyd asked if there is any money for this year's June primary. Ms. Laura Vinzant, Senior Budget Analyst, replied that there is not.

Ms. Mallek said that the last primary ran about $56,000; the amount included in the budget is only about one-half of what it would actually cost. Mr. Foley added that the Registrar is comfortable with the amount budgeted.

Mr. Foley reported that there is a decrease of about 11.5% in **General Services** – or $409,000. They have transferred the stormwater position to Facilities Development; the Stormwater Program has been reduced down to a mandated level, therefore, they cannot justify transferring capital funds over to support it because there isn't enough work. He added that the position can be moved to the Capital Program which covers all capital projects that are already underway. There are still schools that are going to be constructed and things that are going on that the staff are needed. He noted that this does reflect reassignment of a Building Inspector funded half-time with the new federal energy grant, so that will be saved from General Fund expenditures. Mr. Foley said that they plan to contract out custodial services, which should save at least $100,000 – and five current custodial positions would be reallocated in to the school system.

Ms. Mallek commented that these are long-time employees of the County that are being told they are no longer needed and being replaced with outside workers. She said it seems we are picking on folks at the lower end of the pay scale in this particular category.

Mr. Foley explained that one of these employees has already taken a maintenance vacancy job, which leaves four people – and Bruce Benson has indicated that schools are holding onto four custodial core positions. The staff feels real good about these individuals being reallocated. Mr. Foley emphasized that the staff has been proactive in protecting jobs over the last three years, and there are some back-up plans underway with regional agencies in case the schools don't work out. There have been a number of success stories in the last few years where they have been able to move people into good positions. There is an opportunity here to do the same thing. He stated that the effort to contract out started months ago. Staff met with these employees at that point to explain the RFP process. He thinks staff have done everything it could to try to be sensitive to the fact that these are real people with families.

Ms. Mallek added that if you are 55 years or age and a custodian, you do not have a lot of other jobs waiting for you. Mr. Foley said that is why staff thinks the school system will work out for them.

Mr. Snow asked if the $100,000 is net savings. Mr. Foley replied, "yes". He added that they will continue to retain a couple of the custodians on staff.

Ms. Mallek asked who will be overseeing the contractors. Mr. Foley responded that General Services will be managing the contract. They have a tight scope of work; have defined service levels and expectations. They have also identified security issue concerns of some departments.

Mr. Foley reported that utility costs have decreased about $235,000 overall; some of which is from streetlight operations the County has been auditing over the last six months. Energy efficiency efforts are starting to pay off. He said that roadway landscape and median maintenance are down by 50%, or $21,000, and funding for Arts In Place has been eliminated. Mr. Foley added that the contribution to RSWA is unchanged this year, following a $50,000 cut last year.

Mr. Foley said there are a number of service impacts in Fiscal and Management Services. The Visitors' Assistance Centers are now closed at both County Office Buildings; both drive-through windows at the Finance Department are closed except for the tax collection peak times two months of the year; landscape maintenance has been reduced on County's entrance corridors; and they have reduced computer software upgrades and maintenance service. He stated that professional development is an area of concern for staff, as those opportunities have been gutted except for internal trainings and certifications. The proposed budge eliminates memberships in a number of governmental organizations to avoid potential duplication including VML. Mr. Foley added that community engagement efforts and public participation activities have also been scaled back dramatically with frozen positions, which will seriously impact master planning and citizen advisory committees – probably meeting now on a quarterly basis instead of monthly.

Mr. Dorrier asked if property assessments were all going down, as he was informed by Mr. Scott Ward, an appraiser in the Scottsville area, that all three of his properties went up.

Mr. Rooker and Ms. Mallek indicated that it's based on average.

Mr. Wiggans explained that the average residential assessment went down about 4% overall. There may be some properties that had slight increases.

Mr. Rooker said that he has spoken with at least 50 people, and all of their assessments went down – unless people have improved their property or subdivided.

Mr. Foley noted that there has been a nine to ten percent decrease total over the last three years, and next year the estimate is for one-half percent with a slow turnaround expected.

Mr. Rooker mentioned that real estate appraisers have not even come close to what the actual market value of property has been, and he does not recall ever recording a deed for an assessed value instead of the sales price, although he did see several of those last year.

Mr. Foley commented that the biggest question going forward will be commercial values, but that will be emphasized over the next year.

Mr. Boyd added that cap rates will likely yield a decrease in commercial values. He then asked about the increase in the Fire Contract with the City for next year.

Mr. Bryan Elliott, Assistant County Executive, explained that they are proposing that the contract will drop slightly next year, but over the past few years it has increased primarily due to volume, although there have been some CPI adjustments.

Mr. Foley said the contract is grouped with mandates and obligations.

Mr. Thomas said that he likes the ACE Program, and would like to know what the marketing is all about.

Ms. Mallek responded that there were letters sent to all landowners with 100 or more acres to inform them about the program. She added that there have been more applications than available funds.

Ms. Lee Catlin, Community Relations Director, stated that the County prints up a brochure and does an extensive mailing to rural landowners who own enough acreage. She added that in the past they have done appreciation program, some advertising campaigns, and an exhibit at the Charlottesville Design Center – "Forever Albemarle." Ms. Catlin noted that these were done in partnership with the Virginia Outdoors Foundation, the Piedmont Environmental Council, and the Thomas Jefferson Soil and Water Conservation District. She added that there are other major easement holder organizations in the community. These organizations put together an action plan, and the marketing money actually went to fund the action plan that the group came up with.

Mr. Thomas asked about the impact of moving internal employees for the revalidation effort.

Mr. Wiggans explained that an inspector employee from Community Development has been moved to Real Estate, and he has already begun that work.

Mr. Foley said that the County has used a process in the personnel manual to move people over. A conscious decision was made to transfer from within the organization. The process has been to save jobs and keep people employed.

Mr. Snow asked what the building temperatures are set to. Mr. Foley replied that the County follows one of the national standards for office thermostats; it has been extensively researched. He said that he would provide specifics at a future meeting.

Mr. Snow asked if the computers are shut down at night. Mr. Foley said the County follows a certain process for which machines are turned off at night. He will provide Board members with a copy of the policy that drives those things.

Mr. Snow asked about the vacant space at COB-5th and whether it could be used by an income-generated agency that might be compatible with the County.

Mr. Foley responded that the County is getting some City revenue on space leased in that building, but the space was set up for the long term. He said that renting out Police Department space is challenging, but perhaps agencies working closely with police could be pursued.

Mr. Elliott mentioned that the County receives State reimbursement for rent on the Social Services side of the building, as well as the Commission on Children and Families space – which is paid jointly by the City and the County.

Ms. Mallek added that if the Extension Office moves to Fluvanna, there will be even more vacant space.

Mr. Rooker asked if the space could be rented out to a private client, or if it needed to be only government agencies.

Mr. Davis replied that a public hearing would be required in order to lease any space to a non-governmental agency. In addition, there are limitations on the amount of space if it is being financed with borrowed funds. He added that the 5th Street would have to be monitored closely because tax-exempt financing was used for the project.

Mr. Thomas asked if there have been estimates for next year's Revenue Sharing, and asked if it must be reported to the City.

Mr. Wiggans explained that the amount will decrease slightly in FY12, but nothing significant – around $200,000.

Mr. Boyd commented that he had spoken with Mayor Dave Norris recently, and the City has been anticipating a decrease of several million.

Mr. Foley stated that these are based on projections, but staff does not anticipate any savings in that amount whatsoever. In fact, staff thinks it will drop slightly and then be flat going forward.

Mr. Tucker added that effectively their increase would go down.

Mr. Dorrier asked about the 38% reduction in Community Relations.

Mr. Foley explained that they are frozen positions from FY10, including the Community Engagement Specialist and Visitors Center Office Associate. He stated that the positions have been fully eliminated, so that is reflected here. He added that it is a 38% reduction over a two-year period.

Mr. Rooker asked how active the Pantops Master Plan Advisory Committee is.

Mr. Boyd responded that they have cut back to quarterly meetings, and they recognize the budget situation and have not objected.

Mr. Rooker said that it seems to him that early on in the process, more frequent meetings are needed.

Ms. Mallek commented that they may continue to meet even if staff is not present.

Mr. Foley noted that Places 29 is the equivalent of two or three other development areas, and staff needs to assess the impact going forward and work with the Board on expectations.

Mr. Rooker suggested having two or three advisory groups for Places 29, as it is a large area with citizens representing different interests. He is very concerned about the significant cuts in that area of the budget whereby staff may not be able to do what is necessary to effectively implement the plan.

Mr. Thomas said it is a good idea to have multiple advisory groups,

Mr. Tucker said that when development activity begins picking up again, there will likely be more interest in meeting frequently. Currently there is not much, if any activity going on, so the urgency does not seem to be there as it was two or three years ago.

Mr. Rooker emphasized that he wants to make sure that there is sufficient effort invested in Places 29, adding that if there are different advisory groups there will be more meetings.

Mr. Elliott noted that often the councils will form subcommittees, and the subcommittees will want to meet quarterly. As development picks back up, there could be three to four development areas affected here and there is not sufficient staff support for these ongoing meetings.

Mr. Boyd said that Forest Lakes residents are anxious to get this process going.

Mr. Foley stated that this is an expectation that has been built up in the community, but it is a real service reduction, and it is going to be challenging. This time next year the Board will need to talk about its expectations for staffing these committees. He emphasized that the Board’s expectations may need to be adjusted given staffing levels.

Ms. Catlin commented that staff’s plan is to see where things are after the budget season, then come to the Board with a plan as to what can reasonably be accomplished with the available resources. She added that the Village of Rivanna now has a master plan pending, bringing the total to four areas.

Mr. Rooker said he is not proposing that anything be done today, but he does think it is an area that the Board needs to look at.

Mr. Snow asked if cutbacks in the IT Department would impact Access Albemarle.

Mr. Foley replied that it would not; staff is still on schedule for July 1 – with money in the Capital Fund to pay for consultants to help keep it moving. He stated that that will provide the County with efficiencies and improvements in business that he thinks are much more than cutting a position here or there.

Mr. Snow said that he sees a lot of money that could be saved in paper if the Board had documents on laptops.

Mr. Foley responded that the Board has discussed it in the past, and it is up to the current Board to discuss.

Mr. Thomas said he would also like to see the Board go paperless, but it is difficult to view plats and plans on a screen.

Mr. Rooker suggested asking the School Board about its cost for going paperless.

Ms. Mallek noted that the School Board found the shift to laptops to be expensive.

Mr. Rooker added that he likes to write notes on his pages. Mr. Thomas agreed, but there are screens where Board members could write notes in the margins.

Mr. Rooker asked if LED lighting has been pursued.

Mr. George Shadman, Director of General Services, responded that some parking lot lights are LED, and lighting changes would be part of the block grant study.

Mr. Foley reported that **Community Development** represents 9.1% of County departmental operations. This area includes Community Development Department (96%), Community Development Agencies (6%), Inspections (15%), CTS (9%) and Facilities Development (14%). He explained that 33 positions – or 44% – of staffing changes have come from this area, and there has been an 11.5% decrease – or $940,000 – in this area. Mr. Foley said that this reduction has been more dramatic than it appears because of the transfer that comes over to support the Office of Facilities Development. Staff has been very responsive to changes in workload. The operations have become less reliant on property tax revenue, as capital has been moved to this area. Mr. Foley said it is important to note that when you transfer money from capital to support operations, it means that your capital program is down dramatically and there is no revenue to transfer over; adjustments have to be made on the expenditure side. In the next year to year and a half, without any change to the CIP, the County will need to look at some staffing changes in the Offices of Facilities Development. Mr. Foley said that staff has looked for new ways to structure and fund operations to further lessen the burden on the tax rate. This area also reflects the Board's focus on economic development.

Mr. Foley said the most dramatic changes in the organization are in the Community Development Department. He noted that there have been significant changes in the level of review for historic resources, rural areas, watershed areas, etc. Mr. Foley commented that this budget recommends elimination of a total of 25 positions, one frozen position, and seven positions offset by revenues that may change along with changes in the capital program.

Mr. Boyd asked if the offset positions are current positions, not new hires. Mr. Foley responded that that is correct; they are being funded by a new source.

Mr. Boyd mentioned that there have been positions created in the School system using stimulus money.

Mr. Foley responded that if there is no plan for what happens when the money goes away you put yourself in a difficult position. He added that local government is funding one-half of a building inspector in General Services with a federal energy grant, but the grant runs out in two years, and the staff knows that the position will not just be picked up. It may mean that staff hired there are temporary.

Mr. Rooker said that he recently read School Board minutes where that topic was mentioned, and they stated that they were required to hire some people under that program in order to utilize the funds, but they hire these people on two-year contracts. Some of the money may even be one-year money. They tried to cover that contractually so as not to create an expectation of a permanent job.

Mr. Foley added that local government does not have any positions created with stimulus money.

Mr. Foley stated that the Inspections operation is under the Director of the Community Development Department. There is a one-year reduction realized of $445,000 – or 8% - and the two-year change in this Department is $1,145,000 – or an 18% reduction. That is the most substantial reduction seen throughout the County government. He added that it results in a 30% reduction in staffing, and that is continued based on workload changes that are responsive to the impact of the economic downturn. Mr. Foley said that the Department is reevaluating its current structure to figure out how they reposition themselves for the future and the expectations in declining operations. He stated that funding for the Business Development Facilitator is in response to the new direction for economic development.

Ms. Mallek commented that when compared to other localities, Albemarle combines Inspection, Zoning, Planning, Economic Development, and Engineering – which all falls under the umbrella of Community Development.

Mr. Foley agreed, stating that they were combined about five years ago and at one point even Public Works was within that department. Prior to combining all the departments, there were three separate department heads, and there was a lot of disjointed communication because they were all primarily involved in the same process. The consolidation created a larger department, but one that staff thinks operates a lot more efficiently under the leadership of one person so that issues can get resolved and so forth.

Ms. Mallek said she thinks the consolidation is successful and tremendously helpful for citizens to come in and make applications.

Mr. Rooker added that it has also enabled things to get onto the web a lot easier, and also provides more cross-training opportunities among employees.

Mr. Foley said that there is an increase in **Facilities Development** of 51.8% because of the change in the way that office is funded. There is an eliminated senior project management position within that department. He said that the consolidation of project management functions through the transfer of a Civil Engineer from General Services is reflected here, and stormwater construction will now fall under Facilities Development. Mr. Foley said that two Senior Project Manager positions previously in the Capital Fund were moved to the General Fund, and a total of seven positions are funded by transfer from capital – with the net cost of operations at $361,000. He reiterated that the capital program over the last two years is down 96 to 97%.

In terms of **Community Development Agencies,** Mr. Foley said that the Central Virginia Small Business Development Center, the Chamber of Commerce, and TJPED are fully funded. He noted that Charlottesville Transit is fully funded, but there are 5% reductions to the Alliance for Community Choice in

Transportation, Streamwatch, Thomas Jefferson Soil and Water Conservation District, Thomas Jefferson Planning District Commission and Virginia Cooperative Extension.

Ms. Mallek said that she would like clarification as to what ACCT does, as they seem to duplicate the services of the TJPDC. It may make more sense to give that $5,000 to TJPDC.

Mr. Foley said new agency requests were received, but not recommended for funding, from Charlottesville Community Bikes and Charlottesville Design Center.

Mr. Rooker asked who provides City Space at the Charlottesville Design Center.

Mr. Tucker responded that he isn't positive, but he believes the City funds their space.

Mr. Rooker said that it is community space that is used for a lot of things the County participates. He would feel more obligated to contribute support for it if the private group that operates the CDC was leasing the space and then providing it back for use to the County, and others. They made a request and the County is not funding that request.

Mr. Dorrier asked how payment to CTS is determined.

Mr. Foley explained that they account for it through tracked service hours, and charge the County accordingly – and some routes that run entirely in the County are paid for by Albemarle.

Mr. Dorrier asked if there is someone on the CTS Board that represents the County. Mr. Foley replied; "no", it is City-run.

Mr. Dorrier said he would like to know if the County is getting its' money's worth.

Mr. Rooker said at one time the County was paying more per hour. A lot of transit is paid for by State and Federal funding. The City's allocation from the State and Federal government does not increase because of more or fewer routes. If the county cancelled its routes, they would still get the same amount of funding. At one time the City wanted to charge the County the marginal cost of providing the extra service which means the County would not get any credit and hours for the Federal and State funding that is provided. After a number of meetings, the City agreed that was not a good approach because it would cause the County to cut back on transit in the County. As it has gone along, Albemarle receives an equal share of the subsidy for transit provided by State and Federal funding. If the County had to try to do this on its' own, it would cost millions to run the routes that are run in the County without State and Federal funding. He thinks it is a fair deal. The County is paying for the actual hours of transit that is provided in the County based upon the actual cost of that service, with due credit for State and Federal funding.

Ms. Mallek added they are doing runs to hotels and places that are on the fringes. It helps a lot of employees who do service work at the hotels.

Mr. Rooker noted that this Board previously voted to provide an additional frequency of the routes going to Georgetown Road, to WalMart, etc., and to provide night service out there because employees and businesses needed a way to get to and from work. The Board has expanded service over the last four or so years, and that has cost the County money.

Mr. Foley indicated that the last two years' allocation has been fairly constant.

Mr. Rooker added that there have been discussions with the City on forming a Regional Transit Authority, and the Board voted to expand transportation in the community – which has not happened.

Ms. Mallek asked Mr. Foley to include the Planning District and Cooperative Extension on the list for reconsideration of each of their $5,000 cuts.

Mr. Foley continued his presentation by reviewing the impacts of the budgetary changes. Impacts include delayed response to non-health and safety related Zoning violations; forwarding of environmental concerns to State and Federal agencies without County follow-up; and reduction of staff support to committees, boards and commissions.

Mr. Rooker mentioned that those first two areas will likely generated a lot of citizen complaints – such as illegal landfill sites that have ended up costing the County significant resources. The most recent landfill cleanup was done quickly because of County intervention.

Ms. Mallek added that environmental concerns can quickly lead to health and safety concerns if they are not deal with. The DEQ has also had tremendous cutbacks, and the closest people Albemarle has access to are in Harrisonburg.

Mr. Foley mentioned that there were two County environmental staff people with knowledge of those agencies, but those positions are no longer filled. The County will still try to be responsive, but it is a very different level. Staff wants to make sure the Board understands that.

Mr. Thomas asked if illegal dumping can be pursued through civil means.

Mr. Rooker replied that technically it can be, but as a practical matter – often not.

Mr. Davis said that the cost of enforcement can be very expensive, and the limits on the fines are usually very low. He stated that there was one well-publicized cleanup in which DEQ imposed a civil fine.

Mr. Boyd commented that the Cismont dump certainly did not pay for itself.

Mr. Foley said that the difference there is those are enforced by State agencies, with the County coordinating those efforts.

Mr. Rooker pointed out that the Board members are the ones that hear from the citizens; they do not call DEQ.

Mr. Snow mentioned that it is similar to snow removal.

Mr. Rooker responded that DEQ is so under-staffed right now, the response time will not be the same – and there is an underlying environmental element to be dealt with.

Mr. Tucker agreed, noting that the County can deal with the Zoning violation part of it – but the State must address the environmental piece.

Mr. Rooker asked what "limit the County's stream buffer program to enforcement" means.

Mr. Mark Graham, Director of Community Development, explained that there have been state-funded grants in the past that have helped property owners reestablish buffers, but that effort is going to end. He said that in the past there has been education and assistance for property owners about how to improve their buffers, and that program has ended as well.

Mr. Rooker asked if the County can get help from the Soil and Water Conservation District. Mr. Graham replied, "yes".

Mr. Rooker asked how much has the County received in grants. Mr. Graham said the County had been working with a $150,000 grant that has now ended, and there have been other opportunities which have now been let go due to lack of staffing to manage the program.

Mr. Rooker expressed his disappointment in that change, noting that a big part of cleaning up waterways is improving stream buffers. He said that if the County can spend $10,000 to obtain $150,000, it is a wise investment, assuming it is a program the County wants implemented in the community. He wants the County to continue pursuing grant opportunities for the community.

Mr. Dorrier commented that the Rivanna River Basin Commission has been pursuing grants to pursue stream protection in the watershed.

Mr. Foley said, in terms of this area including stormwater, the County is doing what it has to do, mandated levels of service. Without the staff to manage and implement the grant, it is hard to do. It is definitely a change in service levels.

Mr. Foley said it is important to understand that staffing of committees, boards, and commissions is going to be very difficult for County staff. Some decisions will have to be made on how to continue. Mr. Graham is working on how to combine some functions to see what can be done. He also said that there is no longer a Transportation Planner so neighborhood traffic calming is being discontinued. Another impact is the dramatic reduction of community engagement activities for master planning and other community planning activities. Another impact is the elimination of dedicated on-going funding for ACE. Staff had moved from funding the ACE Program, approximately $1.6 million, equivalent to a penny on the tax rate, to using just Tourism funding at $350,000. Since ACE is no longer funded with an ongoing source of revenue, staff used transportation money and is using that for one year to continue the ACE Program. The Board will need to give some direction on an ongoing basis of where ACE stands in terms of other projects. Mr. Foley said the Board will need to provide some direction on these type issues at its Strategic Planning session in June, 2010.

Mr. Thomas said that he has spoken briefly with the Piedmont Environmental Council about helping with funding ACE. There was interest, although not a lot of enthusiasm.

Ms. Mallek noted that they have provided grant money for properties in the past, and the Federal Farmland Trust has also provided matching funds.

Mr. Foley explained that there is currently $350,000 in Tourism funding for ACE as a temporary source for FY11. He added that staff will continue to look for opportunities to keep ACE going.

Mr. Foley reported that this budget also eliminates new funding for master plan implementation; provides no new funding for transportation revenue sharing, local and regional transportation programs; and any streetscape projects, sidewalk construction or streetlight programs. The Board will be discussing the CIP on Monday. Even though the money has been removed from these as ongoing programs, there are some balances in some of the programs that the Board can continue or consider liquidating to move to other priorities.

Mr. Rooker noted that the County is getting some service from TJPDC in transportation planning; the County no longer has a transportation planner. That is an argument for providing additional funding for TJPDC, if any can be found.

Judicial

Mr. Bryan Elliott, Assistant County Executive, addressed the Board, stating that the recommended funding level for **Judicial** is $3.89 million for FY10-11, which represents an increase of $78,000 or 2% over the current year. He said that the functional areas covered include the Sheriff's Office, Commonwealth's Attorney, Clerk of the Court, and Court operations. Mr. Elliott reported that the budget reflects what former Governor Kaine put in his budget of December 2009, which follows a principle of maintaining core public safety functions and operations. He commented that the State budget remains "in flux" as it relates to funding of constitutional officers, but this funding proposal does reflect the further funding cuts proposed by Governor Kaine and would be picked up by the County.

Mr. Rooker asked where the revenues come from to pay for these functions, noting that it would be helpful to have the revenue included here.

Mr. Elliott responded that the revenue figures are reflected in the individual departmental budgets.

Mr. Rooker noticed that the County is providing about $321,000 – or a little less than half of the cost for Clerk of Court employees.

Mr. Elliott reported that the **Clerk of the Court** budget is expected to increase about $21,500 or 3.1%, and there is one-time capital outlay for the Clerk's records management effort related to filing. He said that the net local cost increase, which is the portion that Albemarle will pick up, is proposed to increase 27.8%, or $84,136.

Mr. Elliott stated that there is an increase of $12,054 for the **Commonwealth's Attorney's** office and the net local cost increase is $91,771 or 22.7%. This budget carries forward a number of the cost reductions from that office that was submitted last Fall. He added that there is some additional income expected from drug seizure proceeds, but the amount is uncertain.

Mr. Thomas asked if the Commonwealth's Attorney's request is 100 percent fully funded. Mr. Elliott replied, "yes" if the Board follows staff's recommendation.

Mr. Dorrier asked if the State Compensation Board is still being used to establish funding levels based on population levels.

Mr. Elliott replied that it is, but it is subject to what is decided in Richmond. He added that funding remains influx, but there has been some discussion about more funding for the Sheriff's Office and some stop gap provided in replacement of funding. It is his understanding that if that occurred and funding is restored to the Constitutional Officers, it would a mean a reduction in some telecommunications taxes that the localities receive.

Mr. Davis said the telecommunications tax was created a couple of years ago. It was supposed to be an established fund not to be used for any other State expenditures and would be allocated back to localities because it primarily replaced local taxes. There was a proposal in this budget to take that protection off of the fund and take $300.0 million to be reallocated for State government expenses. It would actually be money taken away from localities to pay Constitutional Officers. He added that it hasn't been finalized, but there are several proposals that increase some compensation for Constitutional Officers and reduce funding for others relating to benefits – and taking money from other sources. The net for Albemarle is hard to figure out right now.

Mr. Elliott stated that it is anticipated that there will be a reduction in State aid for Constitutional Officers – whether it comes through categorical reductions, through reduced payments or transfer of the telecommunications tax.

Mr. Rooker asked about the possibility of just not paying it, as several other jurisdictions have. These are State employees and year after year the County watches this happen.

Mr. Elliott responded that there would be some impacts to local offices by doing that – lack of prosecution for offenses like DUIs, reduced hours at Clerk's offices. There have been service impacts.

Mr. Rooker said the State is supposed to fund that office. The County is getting played for chumps. He thinks at some point the County needs to just say 'no; it is not going to do that; it is already picking up a huge pile of funding which should never have been assumed by localities to begin with.

Mr. Elliott said staff could work with the Constitutional Officers to determine what it would mean to not fund these items.

Mr. Tucker commented that the County will have a better idea by Friday regarding the budget, as a lot of it is currently just speculation.

Ms. Denise Lunsford, Commonwealth's Attorney, stated that she has been in Richmond several times over the past month or two to try to encourage the legislature to increase funding. She is hopefully that the funding that the County is being asked to provide will decrease from what the Board is seeing. She stated that her employees are not entirely State employees; they are County employees who enforce County ordinances and address local matters, paid through State reimbursement.

Mr. Davis explained that they are State employees on the County payroll system. Traditionally the Commonwealth Attorney's office was entirely funded by the State Compensation Board. Over the years, localities have supplemented the salaries to make sure those workers are more fairly paid – and some positions have been 100% County-supported.

Mr. Rooker said that the County does not determine who is employed in the Commonwealth's Attorney's office; it is a State function. Ms. Lunsford said the elected officials hire the employee.

Mr. Rooker asked if they are subject to the County's grievance procedure. Mr. Davis said the Constitutional Officers employees are not subject to County's grievance procedures, only the State's procedures.

Mr. Elliott stated that in the FY11 budget, the Sheriff's Department has an increase of $30,526 or 1.6% in expenditures, with a reduction in State aid. He mentioned that there is one local funded program – the Hunting Control Program that provides surveillance and hunting control in the rural areas. This program is proposed to be eliminated. Mr. Elliott said the Sheriff has indicated that if a rural landowner does have a problem, he would work with the person on contractual overtime arrangement to provide deputies in the field for a particular mission or operation.

Mr. Rooker said that this represents another $812,400 in local money being used for the State – as the primary function of the Sheriff's Office is court protection and transfer of prisoners and service of State warrants. In thinking outside of the box, there are areas that do not have both Police Departments and Sheriff Departments. He asked if the County needs a Sheriff's Department of the size that the County needs to put in $812,000 of local money when it also funds a Police Department.

Mr. Dorrier said a number of years ago, the County decided to have a Police Department. When that decision was made, it relegated the Sheriff to process server. It is important to note that the Sheriff also has 30 or more volunteers.

Mr. Rooker said he is not saying the County does not have a Sheriff's Office that does good work in the community; the County has had very capable Sheriffs. There are also capable people, who were performing functions, on these pages in front of the Board that were important and let go. The question is whether the County needs a Sheriff's Department funded beyond what the State provides. What would happen in the community if the Sheriff's Department operated on $1.1 million of State money?

Mr. Elliott said that some of the money for the Sheriff's deputies is contractual overtime that is a pass-through, whereby officers on an overtime basis contract out and are paid. Staff can provide additional information to the Board on how much of that money is contractual overtime.

Mr. Foley said that there may also need to be a staffing study done to see what it takes to provide adequate security for the courts.

Mr. Dorrier asked how many volunteers serve as deputies. Mr. Elliott responded that it is an extensive number, but he does not currently have that information.

Mr. Boyd asked for an explanation of the contractual overtime.

Mr. Elliott explained that there are special events – such as Foxfield, sporting events, etc. – whereby people contract with the Police or Sheriff, but that is not reimbursed by the State.

Mr. Snow asked if the County anticipates any additional funding from the State. Mr. Elliott said possibly some additional funding could come in, but there also could be a reduction in funds.

Mr. Dorrier asked who makes the contracts with Foxfield and similar events.

Mr. Tucker replied that the Chief of Police and the Sheriff make those arrangements, and those offices are reimbursed by the agencies that use them.

Mr. Boyd said he would also like to see the same information as Mr. Rooker asked about.

Mr. Rooker said that it might be helpful to contact other localities to see how they are handling this issue.

Mr. Davis stated that the real issue here is whether the State Compensation Board is adequately funding Sheriff Offices to provide service of process, court security, and transportation. In the past Sheriffs have indicated that these services are not adequately funded by the State to achieve safety and efficiency.

Mr. Rooker commented that a lot of people hire private process servers for certain functions. Mr. Davis said they have to do that because currently the Sheriff's Department cannot provide the level of service that some people desire. Those things can be studied but whether the level of service can be lowered by further reducing the budget, at a time when the State is also reducing its budget, would have to be looked at carefully.

Mr. Snow asked how a reduction in telecommunications affect the County.

Mr. Dais said that about three years ago, the County assessed a local tax on telephone bills, E-911 service, and certain other communications services – but that was taken away from localities by the Statewide Telecommunications Tax. Mr. Davis said that the State indicated a five percent tax would be levied and put into a trust fund that would be distributed back to the localities, but this year as part of the budget discussions the State is saying they might tap into this trust fund. He noted that VML and VACo made a concerted effort to fight this, but it was not resolved as of Friday.

Mr. Boyd asked if those funds subject to the Composite Index. Mr. Davis said the funds were distributed based on the percentage of the total tax collected by a locality in tax years 2007 and 2006.

Mr. Rooker compared the situation to the car tax, as the State is talking about using it for purposes other than returning it to localities.

Mr. Elliott said that the remaining judicial areas are the **Circuit Court**, **General District Court**, **Magistrate**, and **Juvenile & Domestic Relations Court**. He said that the Circuit, General District, and Magistrate functions are level funded most years, but the J&D Court has increased due to the first full year of operation for the new court building that came on line earlier this fiscal year – done by contract and a formula with the City for maintenance cost allocations. Mr. Elliott said that the total allocation for Judicial is approximately $3.9 million.

For clarification, Mr. Elliott said the Board would like to know the impacts to Constitutional Officers if the County does not pick up the costs of State reductions and a further evaluation of the Sheriff's Office in terms of its size relative to the County's peers.

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Community Services

Mr. Elliott reported that Community Services includes **Public Safety**, **Human Services**, and **Parks, Recreation and Culture** – with proposed appropriations of $59.3 million for FY 2010/2011, representing a decrease of $708,000 or 1.3% from the current fiscal year. He said that Public Safety represents 52%, Human Service represents 37%, and Parks, Recreation and Culture represents 11%.

Mr. Elliott said that **Public Safety** includes the **Police Department**, **Fire & Rescue Department**, and **Public Safety agencies** – proposed for a $28.1 million allocation, an increase of $243,000 or about 1%. He stated that impacts over a two-year period will be affected by 10 positions that have been frozen, eliminated, or offset by alternative revenue – representing about 13% of all staffing changes; five police positions are frozen, five police support positions are impacted, and fire and rescue has one position that has been frozen for several years. He said that there has been a decrease of $151,000 or .5% since FY09. For FY11, the focus has been on maintaining core public safety services thus the levels of funding reductions have been on a smaller scale.

Mr. Elliott said that there is a proposed increase of approximately $86,000 for the **Police Department** but a State funding decrease of around $303,000, adding that there is 599 funding for Police – which has been reduced by almost $500,000 over the past few years with local funds picking up the difference.

Mr. Davis noted that thus reduction is similar to the reductions provided to Constitutional Officers.

Mr. Elliot explained that the increase in the Public Safety area is due to an increase in vehicle and equipment fueling costs, but is also driven by the increases in VRS, health and dental costs.

Mr. Elliott said the increase in the **Department of Fire and Rescue** is about $54,000 or .8%, with the cost of administering the EMS Cost Recovery Program reflected here. Revenues show an increase in overall revenues due to EMS Cost Recovery of $450,000 – partially offset by the $44,000 increase for the contract service provider for the collections and coordination of the program.

Mr. Rooker asked if the percentage declines if the billing service contract collects more revenue.

Chief Dan Eggleston said that they could go back into negotiations with the billing contractor to reduce that fee. In addition they are looking into electronic reporting – which would also reduce the fee. He added that the fee is currently 6.5%.

Mr. Davis stated that higher-volume localities may be able to negotiate a lower fee.

Ms. Mallek pointed out that the range was 3 to 7% when the contractors presented to the Board.

Mr. Elliott reported that there are some operating expense reductions, including health services, and turnout gear and uniforms. In addition fuel costs are impacting fire and rescue. He said that other Public Safety income includes volunteer contributions to volunteer fire and rescue agencies for their departmental operations, TJ EMS, the fire/rescue tax credit, and the City Fire Contract – but the overall decrease is $9,533 or .4% in this area. Mr. Elliott said that volunteer rescue contributions decrease by about $2,300, driven largely by the fact that the allocation to CARS is by formula and is based on the percentage of City/County calls made during the day from CARS. He said that the TJ EMS decrease is around $2,000 or 10% and the Fire Tax Credit increase goes up $7,000. Mr. Elliott stated that the Forest

Fire Extension increases just over $1,100 and there is a small decrease anticipated in the City Fire Contract for the coming fiscal year, at just over $13,000.

Mr. Rooker asked the amount allocated to CARS. Mr. Elliott said staff will need to provide that information.

Mr. Boyd asked if the Board should consider reducing the amount it contributes to CARS since decided they had sufficient funding and did not need to not participate in the Revenue Recovery Program.

Mr. Rooker said that is a good question because they have it within their ability to raise funds by joining Revenue Recovery and helping cover some of the cost to the community. There are several components to the expenditures the County incurs for CARS – one is cash, another is salaries and then subsidized equipment. It would be helpful to understand what the total budget projected for CARS.

Mr. Thomas added that there is also over $1.5 million included for a vehicle purchase that they have not used. Mr. Elliott agreed that is included for capital.

Mr. Dorrier asked if there is a new agreement with CARS yet related to cost recovery. Mr. Elliott replied, “no”.

Mr. Thomas said that he hopes CARS funding is not reduced any further.

Mr. Rooker responded that if they would participate in revenue recovery, it would more than cover the taxpayer obligation for it.

Mr. Boyd said the Board made a conscious decision that it needed to go to revenue recovery to supplement the spiraling cost of emergency services; they made a conscious decision that they did not need to do that. He does not think the Board can ignore that decision when it is cutting out libraries, school buildings, etc.

Mr. Elliott said that the cash contribution for CARS is proposed at $171,000 plus the cost of station personnel operations during daytime weekday hours, which is around $300,000. He added that these are County employees in CARS station, at their request.

Mr. Rooker said that when personnel and operations are combined the cost is about $400,000, and the City contributes nothing – only the property.

Mr. Elliott stated that **Public Safety agency** budget includes full funding for ECC, Regional Jail, Juvenile Detention Center and the SPCA; the Offender Aid and Restoration office would have an $8,000 decrease or 5.2% based upon the Agency Budget Review Team’s 5% reduction scenario. He said that there is an increase of $52,231 for the Community Attention Home, due to the reallocation of funding for youth development, prevention, and intervention services currently housed in the Commission on Children and Families.

Mr. Dorrier asked how the SPCA got a $91,000 increase.

Mr. Elliott explained that last year the SPCA informed the County of its intent to terminate the funding agreement that the County and City had in place and put forth their terms and conditions for a new contract based on a per-capita formula, instead of a per-animal formula. He explained that the new contract starts out at about $3.50 per capita and increases over the next several years to about $4.50 per capita with future adjustments made in alignment with the CPI.

Mr. Dorrier asked if there are mechanisms to get that back from residents.

Mr. Elliott responded that the SPCA charges for spaying and neutering, and does have adoption fees that go directly to their operations. The key here is what the cost would be to the County to operate its own pound and meet those State requirements on its own – building a facility, hiring staff, and operating a pound. He added that the Board has instructed staff to look at various options, over the next several years, as it goes forward with this new agreement. The question is at what point can the County do this at less expense.

Mr. Rooker commented that the County is required by State law to either operate a pound or contract for their services. This amount is lower than they originally requested.

Mr. Elliott said, as follow up information, the staff will confirm the costs of CARS personnel and will confirm the status of funding for Volunteer Retention and Recruitment.

Mr. Rooker then asked for some more information about Community Attention.

Ms. Mallek said she would like to add OAR to the list of items for further discussion.

Mr. Elliott said they are shifting $52,000 in funds from the Commission on Children and Families to Community Attention. In terms of OAR, there is a legislative move to reduce to reduce pretrial services. There could be some State funding impacts to OAR. He then explained that Community Attention runs a 24-hour facility for youth, electronic monitoring as dictated by the courts, and prevention-type services – some of which is pass-through money from the State.

Mr. Boyd commented that he would like to see a matrix of what agencies are providing services to see if there is any overlap of the same services. It seems that there are others that do the same things that Community Attention does.

Mr. Tucker said that a lot of the agencies provide multiple services. He added that Community Attention is the only one that provides housing for youth.

Mr. Thomas asked where the youth are housed.

Mr. Tucker responded that the Community Attention facility is located Downtown, and is paid for by the City and County. Mr. Elliott added that payments are based on in-house population, and it is an alternative to the Juvenile Detention Center.

Mr. Snow asked how often these agreements with agencies and the City are audited.

Mr. Elliott explained that if an organization goes through the Agency Budget Review Team – which is a City/County review of applications – there are specific performance measures that the agency must report out to, as well as additional performance standards and evaluation criteria.

Mr. Elliott said that in the area of **Human Services**, there is $19.5 million proposed for FY11 – a decrease of about $600,000 or 2.9% from the current fiscal year. He said that included in this area is the Department of Social Services, 27 human services agencies, the County's transfer to the Comprehensive Services Act, Tax Relief for the Elderly and Disabled, and the Office of Housing. Mr. Elliott noted that over the past two years there are 10 positions that have been impacted – or 13% of overall staffing changes – and in this cycle there has been a decrease of 1.4% or $285,000. He said that there is reduced funding for prevention services in the area of family support, Bright Stars, and affordable housing initiatives. He explained that there is a proposed increase for the **Department of Social Services** of $232,000 or 2.1%, some of which reflects the transition of five employees from other departments to DSS to help pick up the workload in the benefits area. Mr. Elliott also said that CSA administration functions currently housed in CCF would be transferred to DSS per the Resource Management Study. He mentioned that there will be elimination of the State and Local Hospitalization Program due to State action, and increases to several benefits and service programs – which are reimbursed through State and Federal governments.

Mr. Elliott reported that the **Bright Stars Program**, which serves approximately 133 children throughout the County, has proposed decreases by taking employees from a 12-month to an 11-month period. Bright Stars works with the County's Family Support Program. The School Division has proposed reductions in funding of approximately $190,000 to this program which means the loss of workers in three middle schools and one elementary school. This means less contact with students and families, especially over the summer months. He said that the decrease proposed is $32,000 or 2.8% and would be realized through that cut and the Composite Index change.

Mr. Thomas asked if the costs per child of $9,000 were in addition to those for them to attend school.

Mr. Elliott explained that these children are not in school yet, and the goal here is for early intervention to help stave off the need for direct services as the children get older.

Mr. Rooker asked if the potential partnership with Smart Beginnings has made any progress.

Mr. Elliott responded that there is a definite benefit to private partnership, and a lot of it involves outreach to daycare providers – both formal programs and family members caring for pre-K children.

Mr. Rooker commented that there are a lot of underserved children in the community, and wondered whether Bright Stars and Smart Beginnings could somehow meld to cover the gap.

Mr. Elliott said that there are a lot of efforts in the works to help children, but Bright Stars provides the wraparound services for after school or daycare.

Mr. Snow asked how many children were involved in this program.

Mr. Elliott confirmed that there are about 133 children in the Bright Stars Program, but there is a waiting list of between 40 and 50 where there is not capacity to accommodate. He confirmed that there was one class added a year or so ago at Stony Point, provided by a combination of Virginia Preschool Initiative funds at the State level and local funds.

Ms. Mallek stated that this assists those individuals who cannot afford private daycare or private preschool.

Mr. Rooker commented that there is significant evidence that the earlier you begin educating these kids, the better chance they have of being successful.

Mr. Snow said that it equates to about $775 per month per child.

Mr. Elliott reported that there is a decrease of $200,000 proposed from the General Fund to the **CSA Fund** next year, which he is hoping is a positive trend for the community and believes is attributable to programs like Bright Stars.

Mr. Elliott said that there is a proposed decrease of $238,000 for the **Office of Housing**, or around 32%. Following the Board's strategic planning retreat last fall this budget does reflect the elimination of the Homebuyers' Downpayment Assistance Program and a decrease of $10,000 in the Emergency Home Repair program offered by AHIP but funded through the County. Mr. Elliott said that there is a proposed four-year tiered phase-out of the Woods Edge Rental Subsidy Program, which currently stands at about $40,000. He explained that last year staff proposed complete elimination of the subsidy but the Board added it back in.

Ms. Mallek asked for some examples of what might be provided through Emergency Home Repair.

Mr. Elliott responded that the program serves about 55 residents per year and provides emergency repairs for homes.

Mr. Rooker said that he would like that to be put back on the list. Ms. Mallek said she would also like it included on the list.

Mr. Ron White, Director of Housing, said that the program addresses immediate needs such as heating systems, roofs, and window repair. He said that last year the County's investment was $20,000 with the total program being about $90,000 through money from the State and private contributions. They have been very successful over the last two years in getting some fairly large private contributions.

Mr. Rooker asked if it would affect State funding if the County cuts back its contribution.

Mr. White said it would not affect State funding, but the direct impact would be $10,000 worth of work, or five or six houses being repaired.

Mr. Rooker asked if the $10,000 of public money is reduced, would that be made up by private contributions; does the program look like it would remain steady in the coming year in terms of the number of homes served.

Mr. White replied that it depends on whether the private contributions are recurring or one-time funds.

Mr. Rooker asked if AHIP is using volunteer programs to assist with this program.

Mr. White said AHIP uses quite a number of volunteers. They primarily uses local businesses that send employees out for a day or weekend and U.Va. is a big source of volunteers. In fact AHIP's Board of Directors had planned to go out and work on a house.

Mr. Elliott then continued with agency funding in the Human Services area. He stated that there is an overall funding decrease of $372,209 or 7.2% proposed for **agency funding.** No new agencies are recommended for funding. He said that this reflects the Agency Budget Review Team's 5% reduction scenario – which eliminates funding for Urban Vision and MACAA's Financial Economic Security Program, both based on performance. Mr. Elliott said that the 5% reductions equate to anywhere from $100 - $3,200 across the agencies. He noted that the CSA administration function from CCF is recommended for transfer to DSS, and County staff agrees with the Resource Utilization Study's suggestion to do so. Mr. Elliott reported that the Virginia Juvenile Community Crime Control Act funding would be transferred to Community Attention, as well as the position of Juvenile Justice Coordinator – who will begin to perform more direct services at that office. He explained that this budget is proposing elimination of the Regional Home Ownership Program, the Latino Outreach Program, and the previously mentioned reduction in the Downpayment Assistance Program. Mr. Elliott said that other agencies such as JABA have presented information on how they will assign the across-the-board cuts.

Mr. Rooker noted that JABA has indicated they would be eliminating about 1,000 senior meals, and asked how much of the service reduction would be related to County cutbacks versus State cutbacks.

Mr. Elliott explained that there is some funding being proposed to supplant some stimulus money, but the 5% cutback to JABA equals about $14,000. He said that reductions to the meals program are a last resort, but some services such as nursing assistance may be paid for by sources such as Medicaid.

Mr. Thomas asked what the CHIP Program is, noting that the expense is $313,405.

Mr. Elliott explained that it is part of the Children's Health Initiative Program – a home-based collaborative program through several agencies that formerly ran out of the Health Department and provides outreach to mothers during pregnancies and after they are born. He said that there are federal, state, and other local fund sources allocated as well.

Mr. Rooker asked if this was a move from another category.

Mr. Elliott responded that it was moved out of the Health Department and MACAA; it is not a new program, just a reallocation of funding.

Mr. Rooker said he would like to get an understanding of the program and if the services are being provided elsewhere.

Mr. Snow asked who manages Bright Stars, where they meet, and who provides transportation.

Mr. Elliott explained that the County provides about $750,000 for the program, and there is also in-kind funding from the School Division related to classroom space, transportation, etc. There has been State funding but it has decreased over the past several years. It is very much a partnership between the County Department of Social Services, the School Division and State funding.

Mr. Snow asked how much of the funding is from the State.

Mr. Elliott said that the expenditure total for the program next year is $1,094,000; the County receives about $271,000 from the State-funded Virginia Preschool Initiative, and there is a transfer of about $95,000 from the School Division as well as in-kind services they contribute.

Mr. Rooker noted that the programs are all offered at the schools, and they provide all surrounding services such as transportation, with the exception of personnel. The County basically funds the teachers for the program.

Mr. Elliott said this concluded their presentation for today; the budget presentation on March 10^{th} will begin with Parks, Recreation and Culture.

Ms. Mallek noted that Mr. John Halliday, Executive Director of the Jefferson-Madison Regional Library, was present to share some information.

Mr. Halliday thanked Board members for allowing him to make this presentation. He then introduced Board President, Tony Townsend. He believes that everyone has the same objective which is the best possible library service for County residents. He said that the communication for this budget process seems to have been mostly through the media so he appreciates this time to speak directly to Board members. He thanked Mr. Rooker for spending time with them this past Friday. At that meeting, Mr. Rooker suggested that the Library explain through visuals what a 5% cut in the budget would mean.

Mr. Halliday reported that the JMRL system is at .43 staff per thousand people, which is higher than Madison and Fluvanna but on the low side of larger libraries – about one-third of Williamsburg Regional libraries. He presented a chart showing the staffing levels, and also presented information on the per-capita expenditures, noting that in 2008 JMRL spent about $31 per capita with Williamsburg at about $93 and the State average of the 91 library systems being about $35. He added that this was good in that it shows they are running an efficient, economical organization. Mr. Halliday presented a graphic showing the five sources of funding for the Regional Library, with State aid at the top at about $600,000 – providing funding for books. One of the main reasons for being in a regional library system is that the State provides all funding for books in addition to providing extra money. The JMRL receives the second highest amount in State aid from the state because they are a regional system. There are some strings attached to this funding. The library system must maintain some standards. One such standard is maintenance of effort which means that every jurisdiction must make a good faith effort to keep its funding at least as high from year to year without making cuts. The State realizes that everyone has hard times, so if there is a cut, the library system would have to apply for a waiver. With the 5% proposed reduction, they would apply for a waiver and would have to show that the reduction was equitable if you look at the other County departments and agencies. He said that Federal funding provides for the library's telecommunications, and the Friends of the Library provide all library programs such as the Summer Reading Program.

Mr. Halliday stated that Mr. Snow was quoted in the press as saying "Why doesn't the Library just cut books?", and while that sounds like a good suggestion it wouldn't save the County any money because it is all from the state and it doesn't help Albemarle County. He said that fines and fees provide furniture, computers, and equipment.

Mr. Halliday reported that the five jurisdictions served through JMRL provide the people, with regional costs being children's librarians, reference librarians, delivery truck, etc. and are assigned based on actual use by the public, with all costs divided up proportionally. He said that Albemarle shares the cost for the Central, Gordon Avenue, and Northside libraries proportionally with the City of Charlottesville. Mr. Halliday stated that localities pay 100% for local library operations – such as Scottsville and Crozet.

He said that in order to save 5%, the costs would also have to be reduced proportionally. Using Northside Library as an example, Mr. Halliday explained that 85% is Albemarle and 15% is Charlottesville and if Albemarle makes a 5% cut, JMRL cannot reduce the County's share – it must cut the overall budget from the localities as well. He said that the reason the Library Board has proposed taking it from Scottsville and Crozet is because it would have no regional implications and would save the $600,000 book budget.

Mr. Rooker commented that if they keep the regional libraries funded then they do not lose the money from the other jurisdictions.

Mr. Davis clarified that under the funding formula they couldn't be required to pay the $139,000, but if they wanted to voluntarily fund it they could.

Mr. Halliday said that it would be an odd arrangement for a locality to pay more than what is stipulated. He presented information on the dollar impact regionally, noting that it is greater than just the 5%. Mr. Halliday said that six years ago, Greene County had funding issues and closed their library for one day a week; Nelson closed a few years ago for one week at the end of the year; in the 1990's

Charlottesville cut their bookmobile service for funding reasons. There is past practice showing that when cuts need to be made, each member of this partnership makes the cuts locally before they ask them to do it regionally.

Mr. Halliday said there is the issue of looking at the public library on a business model. Last year, 68,000 books were checked out in Scottsville; 131,000 were checked out in Crozet; and 500,000 were checked out at Northside. Mr. Halliday said that although Scottsville is used the least, Northside would be hit hardest by a 5% across-the-board cut, adding that just the self checkout system there checks out more books per year than the Scottsville Library. This reduction threatens the closure of the County's busiest branches to save the least used branch. He added that over 28% of the use in Scottsville is from other counties. It does not make sense to keep the Scottsville Library open for Fluvanna and Buckingham County residents. The biggest impact is the library that serves the most County residents.

Mr. Rooker said this would not mean closing the Northside Library, possibly closing it for a day or a day and a half a week.

Mr. Halliday said the real impact is close to $900,000; not the $158,000. From a business standpoint it does not make sense. He concluded by stating he hopes the Board would support Mr. Dorrier's suggestion – a plan including level funding for the Library for the next year, addressing an $85,000 deficit that exists with the budget at present level, and working with Fluvanna and Buckingham to try to broaden the funding base so that they pay their fare share of costs for Scottsville.

Mr. Rooker asked about how the $85,000 would be raised.

Mr. Halliday responded that the Library Board is not certain how it will raise the money.

Mr. Townsend explained that the Library experienced the same cost increases as Albemarle – medical, dental, retirement, etc.

Mr. Snow asked what the total Library budget is paid by the localities.

Mr. Halliday replied that it is about $5.3 million.

Mr. Snow said it is his understanding that the State pays about $600,000. The Library has no telecommunication expense because that is taken care of by federal. The Friends of the Library pay for program expenses. The fines pay for equipment. The jurisdictions pay for remaining expenses. He asked if the total $5.3 million goes to wages.

Mr. Halliday said most of the County's portion goes for wages and benefits as well as leasing space, the most expensive of which is Northside.

Mr. Snow asked what the Library is doing to become more efficient.

Mr. Halliday explained that they have installed self check-out stations, but public library usage is skyrocketing, with an 11% increase over the last several years. He said that they have about 100 paid staff region-wide, and use about 100 volunteers.

Mr. Rooker commented that the dilemma is there is some unfairness when one locality can get by through cutting library services at one site, but the larger system cannot do that because the cuts are spread out among the whole system.

Mr. Dorrier said that Scottsville and Crozet are rural communities, and people depend on the libraries for computers as well as books.

Mr. Townsend added that those areas are also the most economically challenged in the County. Usage of the libraries are important also because they provide community meeting space at no charge. He added that the regional partnership needs to be held together and that is why when Greene County needed to, it closed its local library before asking everyone else to cut services.

Mr. Boyd noted that the City pays about 19% of this regional service, and the County pays for 58%. A lot of this hole in the County's budget is being created by this ever-escalating Revenue Sharing Agreement, and the County cannot keep ignoring that.

Mr. Rooker said he thinks that the JMRL is running a very efficient operation when compared to other similar localities.

Mr. Thomas suggested putting level funding for the libraries on the list.

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Agenda Item No. 3. From the Board: Matters not listed on the Agenda.

Ms. Mallek asked if Board members planned to attend the LEAP meeting tomorrow afternoon at CCDC. The meeting is scheduled from 3:30 p.m. to 5:00 p.m. If a majority planned to attend, then the Board would need to adjourn to that time.

Ms. Mallek said she and Mr. Snow would be attending the Stormwater Management Conference in Staunton on March 9th. She asked if other Board members planned to attend; there were none.

Ms. Mallek then asked if any Board members planned to attend the Dredging Study at 6:00 p.m. on March 9th.

Mr. Davis said if Board members plan to attend the presentations, but do not plan to participate in the discussions, then it is no issue, and no need to adjourn to the meeting.

Agenda Item No. 4. Adjourn to March 10, 2010, 9:00 a.m., Room 241.

There being no further business, at 12:40 p.m., **motion** was offered by Mr. Snow that the Board adjourn this meeting to March 10, 2010, 9:00 a.m., Room 241. Mr. Thomas **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

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Chairman

Approved by the Board of County Supervisors
Date: 05/05/2010   **Initials: EWJ**