

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 10, 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 8, 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 9:05 a.m., by the Chair, Ms. Mallek.

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

**School Division:**

Mr. Ron Price, Chair, Albemarle County School Board, recognized Mr. Eric Strucko, Vice-Chair of the School Board, School Superintendent Dr. Pam Moran, Assistant Superintendent for Planning and Operations, Dr. Bruce Benson, and Executive Director of Fiscal Services, Mr. Jackson Zimmerman.

Mr. Price said that the School Board members value their roles as leaders and take the stewardship piece seriously. They have a passion for seeing that County students get the best possible education. He said that *Forbes* Magazine has ranked Albemarle County as one of the top 20 places in the country to live. The quality of life in this area is representative of the wealth of businesses and the schools, and the quality of those schools. The quality of the community's public schools is related to the value of education and developing and maintaining economic vitality. In the recent budget public hearing many business representatives stated that they located here because of the school system and quality of education. Mr. Price stated that residents have said schools are the number one priority that they are willing to pay for. Recently the Chamber of Commerce indicated that workforce development begins with the quality of education, and the County school systems are recognized as a "gold standard" in *Expansion* magazine. Marguerite Cox, President of the Charlottesville/Albemarle League of Women Voters stated that "public education has long been one of the most important engines of our democracy." He added that education has been a hallmark of democracy since Jefferson's times and earlier, and an "educated community gives us the mechanisms to be good stewards." Mr. Price said the League has long supported equal access to quality education and believe that many children will be at a severe disadvantage in the employment market as adults, if education is not funded at the highest level.

Mr. Price said that the funding request that the School Board has made aligns with the vision, mission, and goals of the charter and values of the organization. He added that investing in learning today has a direct impact on the future of tomorrow. The County School system wants to continue to lead in a variety of different professions, whether medical, law enforcement or administrators.

He reported that all County schools are fully accredited, and continue to exceed a variety of SOL and State testing measures; As a division, 93% of teachers are "highly qualified" under the No Child Left Behind Act. Mr. Price said that 83% of County school graduates pursue post-secondary education and it is critical to direct the other 17% in other learning opportunities. There were 10 National Merit Scholars last year – the most the Division has ever had in one year. He stated that the goals set forth from the School Board in their funding request are: enable all students to achieve at the highest level, support their strategic operation and innovative work – which comes at a cost but positions all parts of the organization to recover as the economy recovers, as well as maintain the Schools accountability and fiscal prudence.

Mr. Price then presented three year enrollment/per pupil revenues and five year revenues. He emphasized that these revenue figures demonstrate that the School system has become increasingly efficient, but emphasized that Schools are in danger if they are not properly funded. He reported that the School Board has cut the budget in the three years he's been on the Board, with cuts this year expected to be around \$6 million. Mr. Price stated that under that scenario, class sizes will increase – 4<sup>th</sup> grade through 12<sup>th</sup> grade by one student; some elective classes will be eliminated; technology replacements and improvements will be put on hold; funds for programs, intervention and enrichment will be eliminated or reduced; and professional development opportunities will be limited or unfunded – impacting new teachers the most. The School Board started working on its budget in November. He added that the State budget continues to be in flux. The new calculations on the Composite Index released by Governor McDonnell have also taken the School Board by surprise.

Mr. Rooker responded that as long as he's been on the Board he hasn't seen revenue numbers jump around this much.

Mr. Dorrier commented that the House and the Senate have different bills and are trying to reconcile them.

Mr. Price said that the School Division and School Board feel that the crisis is now and they need to take action. Currently the School Division is considering three different revenue pictures that are coming from Richmond, all of which proposes significant recurring cuts to K-12 education. The first proposal is Governor McDonnell's in which they will be looking at as much as a \$9.0 million shortfall in

recurring funds. The House budget puts the loss at about \$7.4 million and the Senate budget loses about \$6.7 million in recurring funds. All of these are permanent reductions to K-12 education. He believes these reductions signal a significant shift – a shift from the funding of education from the State level to the locality level. In terms of VRS, it looks like that is money the locality is gaining, but he knows that is a 30 percent cut they will see come back to the locality sometime in the future and it may be an even more significant dollar amount. These are all stop gap measures. He believes that the \$4.2 million hold harmless funding is Composite Index for one year. The Senate provides two year hold harmless funding for Composite Index changes. He reiterated that these are one time funds and will go away. He stated that the House and Senate have both argued using retirement funds to prop up these budgets, but the general shift is to put the burden for schools on localities. The Bell Amendment is in the House budget, but not the Senate budget so there is no guarantee they will see the \$2.8 million. It appears that the State is giving the localities a year to two years to get their revenue pictures in line and to get the School Division budget in line.

Mr. Snow asked if, in a worst case scenario, the School Division would have another \$9.0 million decrease. In the current House budget, if any of that came through, that would add additional money into the School budget.

Mr. Price replied that is correct. He reiterated that the House bill is for one year, but the Senate bill provides a two-year reprieve for localities to make adjustments.

Mr. Rooker said the School Board's budget was out of balance by \$8.8 million and presumed the worst case scenario. He asked if under the Senate bill, that is a reversal of \$13.0 million.

Mr. Price responded that is correct.

Mr. Strucko agreed and added that, again, some of that is one time money. They would have to dedicate those funds to some short term projects or that may be the way they avoid doing furloughs for a year.

Mr. Rooker said the School Division has received some stimulus money that was taken out by the State.

Mr. Price commented that the concern with this "reprieve" is that it will require more money in the future to fund both schools and the VRS.

Mr. Zimmerman agreed, stating that the both bills are cutting contributions to VRS by approximately one-third, but the long-term liability remains.

Mr. Rooker commented that this is a short-sighted budgeting approach for something that was already underfunded.

Mr. Boyd noted that this has happened before, and asked if it has been harmful in the past by requiring larger future VRS payments.

Mr. Zimmerman replied that the VRS is tied to what the State can afford to fund. The State has historically funded less than the actuarial requirements. Since he has been employed with the County, typically the VRS rates have ranged from 12.5% to 16.5%, this year. He added that these return the rates to 0% or less.

Mr. Boyd said that the same concern held true about 10 years ago, and asked if this caused an issue.

Mr. Zimmerman replied that the issue is that at the State level there is no discussion of funding the actuarial rate.

Dr. Moran commented that the issue is going to become problematic when baby boomers begin to retire and put a larger demand on the system.

Mr. Zimmerman confirmed that this pay-now, pay-later philosophy would definitely put a strain on the system "in our lifetime," adding that what the state is doing now is providing the minimum they feel is required to retain their bond rating.

Mr. Tucker added that they are also looking at legislation to shift the burden onto new hires so that the actuarial will improve, but the baby boomer bubble will indeed have an impact. There are other bills that talk about even existing employees to start paying into VRS.

Mr. Rooker commented that the state cannot run a deficit budget, but they do have elasticity in this area to make it appear they have a balanced budget.

Mr. Strucko noted that he manages the University of Virginia physicians' pension plan "and if he did this, he would be fired.

Mr. Dorrier asked if the \$2.8 million that Delegate Bell is seeking could possibly end up in the Senate version also.

Mr. Price replied that it is possible. He commented that the structure of the Senate bill changes things temporarily, whereas the House version tends to be more permanent.

Mr. Price concluded by stating there is "no fluff" in their budget, adding that the Schools implemented over 90% of the changes recommended in the Resource Utilization Study. The School Board also looked at the final piece of that Study relative to the small schools and whether they could do something with respect to Scottsville Elementary, Red Hill Elementary and Yancey Elementary Schools. He commented that the efficiencies and dollars did not align with them closing those schools. They were hopeful to renovate the schools at a lesser amount. They found that it was more costly to close the schools and combine them. Another example of how they have trimmed their budget is in Central Office. He said that in the Central Office they have eliminated a number of positions, including several vacant positions which are noticeable as you walk down the halls there.

Mr. Dorrier commented that the main difference between a public and a private school is that public schools have large central offices, and private schools do not.

Dr. Moran replied that private schools do not run 26 schools. Private schools run one school. She added that the Catholic Diocese in Northern Virginia also has a large central office.

Mr. Dorrier asked if Dr. Moran could justify all those positions in Central Office.

Dr. Moran responded, absolutely, adding that private schools do not have to be accountable to federal and state mandates.

Mr. Rooker pointed out that the County School system is spending less than 5% on administration, and that includes nurses and some other non-administrative position – bringing the real level down to 3.5%. He said that the State is trying to get schools to reach 65% percent on instruction, and Albemarle already spends 75% on instruction – using the state's classification.

Mr. Boyd asked if that 75% is people in the classrooms. He would also like to see a list of the job categories that fit into each of the categories.

Dr. Moran emphasized that this also includes guidance counselors.

Mr. Rooker said that the largest non-instructional expense in the school budget is transportation – over \$10.0 million – as they are bussing over 10,000 kids per day over 726 square miles. When you get all these emails to cut administration, he would like to know how much cuts you are going to get out of 3.5% of the budget.

Mr. Price said that Mr. Zimmerman could provide Mr. Boyd with the information he requested about the County's position alignments versus the states.

Mr. Price provided information on Central Office reorganization. They believe this is reorganization is much more efficient. It delineated some of the confusion with respect to the lines of reporting; it is a much cleaner organization and has built in opportunities for talent, development and succession planning.

Mr. Price said that Mr. Josh Davis, the Director of Transportation, is present to respond to questions Board members may have. He noted that the investment in the GPS system allowed the schools to achieve cost efficiencies in transportations. He added that he also chairs the University of Virginia's Parking and Transportation Committee and they have realized similar results through installation of GPS. They have been able to eliminate bus routes and apply walking opportunities where feasible. He added that special needs students are now transported more often on regular buses instead of special buses.

Mr. Strucko stated that just route efficiencies and eliminating deadhead miles have netted about \$400,000 in cost savings, adding that this has been a priority for the new transportation director.

Ms. Mallek asked if there has been a policy decision to meet children at the end of the neighborhood when it is not a State road.

Mr. Davis responded that they are trying to "stringently adhere" to the walk criteria for students - .3 miles for elementary and .5 miles for secondary students – so busses will not be going down some cul de sacs and secondary streets next year as they have in the past. He said that his routing analyst provided him an update today on saved mileage, which will be a significant benefit in keeping fewer miles on busses and spending less on driver pay. They call that a reduced level of service. He believes that Board members will certainly get some phone calls next year asking why the busses no longer come down their street, but safety will be the number one concern. If the student were to come out to the end of the street in some unsafe location, they will take a second look. Mr. Josh added that some routes will be longer next year also.

Mr. Dorrier asked what deadhead mileage is.

Mr. Davis responded that it is mileage when there are no students on board, so now in order to reduce this, busses are assigned as close as possible to the driver's residences and also park on school property instead of at their homes. He added that he found many routes where 50+ miles per day were

added because the drivers took the busses home, sometimes to out-of-County locations. Their fuel consumption, this year, is down 11% compared to a year ago.

Mr. Dorrier asked if they had considered buying smaller busses.

Mr. Davis replied that it was requested in the Resource Utilization Study several years ago, and several smaller busses have been purchased – especially used in the southern feeder pattern where there are usually routes of less than 20 students on board. They purchased some 53 passenger capacity busses for the elementary and they hold about 35 secondary students.

Dr. Moran asked him to comment on the bus replacement cycle, noting that in the past they had aimed for a 13-year cycle.

Mr. Davis responded that the oldest bus in operation now is a 1994 model, and they have definitely cut back – but in future years this will need to be made up. He said that usually there are 16 or 17 busses cycled out, but this year there will only be 6 or 7 busses purchased.

Mr. Thomas mentioned the previous comment regarding safety, and asked if the schools put any responsibility back to the parent to get that child to that point and assure their safety.

Mr. Davis replied that sometimes they do, but sometimes there's not a parent available.

Mr. Price reported that in recognition of the economic downturn, the School Division started making reductions in FY2007-2008 to set aside dollars. The Fund Balance has been essential for weathering crisis without significant reductions in service levels or the need to ask for additional revenues from the Board of Supervisors. Their total Fund Balance coming into FY09-10 was \$4,429,040.

Mr. Dorrier asked if this is like a "rainy day" fund.

Mr. Price said it is a little different from a "rainy day" fund because they find themselves using it to make up shortages in their budget, as opposed to a "lock box" type of fund that is set away for one-time, very specific reasons. In FY07-08 their ending Fund Balance of revenues vs. expenses was \$130,542; the FY 08/09 ending Fund Balance was \$6,441,849; the FY 09/10 appropriation was \$1,800,000 and with the bus GPS, they used \$212,809 of the Fund Balance. This gave them a total available Fund Balance of \$4,429,040. Mr. Price said that this year they plan to use \$3,400,000 to compensate for local revenue shortfall, and \$815,000 to cover state shortfall – to end the year with about \$107,413.

Mr. Zimmerman explained that there would be approximately \$2.0 million at the end of the current fiscal year, but \$1.8 million would be appropriated.

Mr. Snow asked if that is figured into the School Division's shortfall. Mr. Zimmerman responded "yes".

Mr. Dorrier asked if that amount would be applied toward the \$8.8 million.

Mr. Price responded that the \$8.8 million is in addition to the \$6.0 million already cut, so it's not like it can really be applied there.

Mr. Thomas asked if the Schools could stick to their budget more closely if they didn't have that fund.

Dr. Moran said this Fund Balance is used as a cushion on an annual basis to deal with one-time expenses and in anticipation of potential shortfalls.

Dr. Benson explained that the fund is created through savings during the fiscal year, through positions that go unfilled or reductions in operating budgets across departments. He said that they are using it as a balance to carry forward next year so as not to have to cut another \$1.8 million.

Mr. Snow commented that it's really the opposite of spending it or losing it.

Mr. Strucko said it is a balance that is carried forward. "It's a rainy day fund, and it's raining."

Mr. Rooker stated that if the schools have savings, they put it in a fund to be used for the future. He noted that in an organization with a \$150.0 million budget, there are often changes in revenue mid-year that need to be compensated for. It would be exceptionally imprudent not to have some kind of significant cushion to deal with that. He added that most of the teaching contracts must be signed for one year.

Mr. Dorrier asked how close the schools' projections are.

Mr. Zimmerman responded that there are fewer turnovers now, so there is fewer saving in payroll numbers.

Mr. Boyd commented that the School Board had adopted a budget for FY09-10 of \$176.0 million, but are expected to spend \$179.0 million. He asked if they have estimated expenditures.

Mr. Zimmerman responded that that information is part of the monthly financial reports presented to the School Board every month.

Mr. Boyd said that he just wants the recap, not the details.

Mr. Strucko explained that for six months of actual operations, the schools were forecast to come in about \$1.7 million under budget on the expense side. He added that a lot of reductions are "budget to budget" with a lot of savings already in place today – such as keeping vacant positions vacant, with the intent of eliminating those positions.

Mr. Boyd asked if that is reflected in the Fund Balance. Mr. Zimmerman responded, "yes", in the 15% operational budget reduction and staffing freezes.

Mr. Rooker referred to a chart showing the revenue summary for the last nine years and asked if the School Division could provide the same information in an expenditure table. They would provide a ten year look at adopted vs. actual expenditures.

Mr. Price said that the School Board is requesting access to the dollars in the "lock box" to fund early retirement incentive and separation pay for employees who involuntarily lose their jobs. They need to access a portion of the \$820,000. The Schools' targeted retirement incentive is similar to what County government has done – with all VREP eligible teachers and classified employees at pay grade 16 and above being eligible. He explained that teachers will receive an additional lump sum of \$7,500. Classified employees have a choice of several options: lump sum payment equivalent to 20% of current salary; monthly payments, a total of which is equal to one week of pay for every full year of service, up to 20% of the employee's salary; and continued full Board contributions toward health insurance for an additional three years or until age 65, whichever comes first.

Mr. Price then presented a brief video on a mini-computer of students discussing technology and its implications on their schoolwork. He emphasized that the greatest percentage of the School budget goes into their operational work, and the funding to accomplish the goals of today lies within strategic positions. Mr. Price said that their innovation work is their smallest investment, and as schools prepare students for 21<sup>st</sup> century jobs they need to invest in newer technology.

Mr. Strucko said that it is a fundamental job requirement today to be technically literate and technically competent. If the schools are reverting back to chalkboards, paper and number 2 pencils, they are putting the children at a distinct disadvantage in the labor market. This is a basic requirement for preparing students for the workforce and higher education.

Referring to an IPOD, Mr. Dorrier asked the cost. Mr. Strucko responded a couple of hundred dollars, but it depends on the unit price. Dr. Benson added that a recent negotiation with Apple Computers, they were able to get one at no cost for every notebook computer they purchased.

Mr. Boyd commented that he has four children who went through Albemarle County schools without the advantage of IPODs in the classroom, but all can use them now in their jobs because they learned them on their own.

Mr. Rooker responded that thinking that way puts students at a great disadvantage. He added that you are not going to grow the country; you are not going to grow technologically unless you produce kids that are on the cutting edge.

Mr. Strucko emphasized that he wants his two children to learn these skills in Albemarle County public schools to give them that much more of a competitive advantage when they apply to universities or apply for jobs.

Mr. Boyd stated that he's not saying they are not needed, he's just saying it's not a crisis if they don't have them.

Dr. Moran said that there are efficiencies that can be captured through this technology by reducing the number of textbooks that would be needed to gather the same information.

Mr. Snow asked if the IPODs would have a monthly fee, as his does.

Dr. Moran responded that they are able to be used by students for free, hooking into any wireless network.

Mr. Rooker mentioned a newspaper article yesterday that talked about Cisco System's invention of a router that has driven the cost down from about \$1 million to about \$90,000 – and the router can transfer the entire Library of Congress in one second.

Mr. Dorrier asked how young children are when they begin learning this way.

Dr. Moran replied that there are kindergartners using these tools now.

Mr. Thomas mentioned that many of his files are sent via FTP, then transferred directly from the computer to the press. He believes that children need to keep up with technology.

Mr. Price said that the schools had received an annual technology grant of \$720,000 from the state for the last 10 years, but it is not expected to be in the budget this year.

Dr. Benson commented that the Senate put it in their budget version, but the House did not.

Mr. Price said, in terms of funds available for technology, they are seeing a loss of \$550,000 on the local side. They are seeing some investment from their own administrative CIP and computer replacement operational funds of about \$575,000. They have lost State stabilization funds for technology of \$2.4 million – which were supposed to be two-year funds turned out to be just one. To date, they only have about \$575,000 to invest in technology.

Mr. Strucko noted that the impact to technology has been a concern to the School Board in reviewing the budget.

Mr. Rooker said that the County had taken technology out of the CIP because the Schools thought they had federal funds to replace it, and now you don't. He asked if they are going to request that the instructional CIP funds be put back in.

Dr. Benson said they would love to have access to those resources but they also realize that the CIP has its own set of challenges.

Dr. Moran said they redirected these funds to local government because they knew they would be able to replace the funds with stabilization.

Mr. Tucker noted that they would be reviewing the CIP on Monday, March 15<sup>th</sup>.

Mr. Price reported that, based on February 18<sup>th</sup> data, the Schools have incorporated a \$8.9 million decline in State revenues, as proposed by Governor McDonnell on February 17<sup>th</sup> or an 8.5% decrease from 2009-10. The revenues do not incorporate VRS savings as no information was available. He said that expenditure assumptions are \$145.0 million, with \$148.0 million as the adopted budget for 2009-10. This is about \$6.1 million in budget cuts affecting all departments, schools and personnel. Mr. Price emphasized that there are no plans at this time to cut arts, music, PE, media specialists, or gifted. With all the cuts that were at tier three, we were still off by about \$1 million or \$1.2 million.

Mr. Strucko added that this assumed a tax rate of 74 cents, and the full "McDonnell battery of cuts" but not the success of the Bell amendment.

Mr. Price summarized the cuts by initiative, noting that the goal of "preparing all students to succeed" would be affected by \$1 million in cuts; "eliminating the achievement gap" would be hit by about \$200,000; "recruiting, retaining, and developing teachers" is funded at \$2.5 million; "efficient systems" would be hit by about \$3 million.

Ms. Mallek asked for more detail about what "efficient systems" covers.

Mr. Zimmerman replied that these are reductions or increases that have been approved by the Board. "Efficient systems" involves making reductions to become more efficient. He also explained that the area of "recruit, retain, and develop" has full funding – but that is primarily because of the health insurance increase and the VRS rate as proposed – 16.5%.

Dr. Moran noted that it would also include the transportation piece, the energy efficiency work, etc.

Mr. Strucko said when Dr. Moran first took on this year's budget, she was faced with some revenue shortfalls. The local revenue shortfall was in the \$3.0 to \$4.0 million range because property values dropped and the majority of the Board of Supervisors voted to keep the tax rate at \$.74. Governor Kaine's proposed budget also had a drop of approximately \$400,000 to \$500,000. Dr. Moran's proposal to the School Board was no merit increases for teachers, but the School Board wanted to ensure that they were "held harmless" moving from this year into next year – so when health insurance, group life insurance, dental coverage, and retirement contribution requirements went up, the School system assumed those costs. So right away their cost base jumped about \$3.0 million, and the reductions of about \$6.0 million were to cover that and it also accommodated the potential reduction in local revenues. He noted that in order to accomplish that, the School Board added one student per class in grades 4 through 12 – which saved about \$1.1 million; they also eliminated instructional coaching positions, which saved \$300,000; learning resource textbooks saved about \$500,000; and contributions to CATEC were lowered. With all of those reductions, the School Board was still \$1.0 million short. With that shortfall the School Board looked at a number of controversial things. They considered having students pay fees for participation in athletic programs, eliminating freshmen athletics at Monticello and Western Albemarle High Schools, and moving Albemarle High School from AAA to AA sports district which required redistricting students to lower the enrollment numbers – but that was pulled off the table. He added that they are considering going from a seven-period day to an eight-period day in the high schools, which will save about \$800,000 on an annual basis. This is called a modified four by four block schedule which will start with Fall enrollment. Normally the School Board would take time to make such a change but because of the fiscal crisis, they accelerated the time line and the School Board made the decision after several work sessions and one public hearing. There are concerns but the School Board believes the benefits will outweigh the concerns. This block scheduling helps mitigate the affect of an increase in class size. Mr. Strucko commented that by going to this schedule, it spreads the class-size increase out a little more to reduce the burden on teachers.

Mr. Price added that teachers and staff have visited lots of other high schools that have moved to this schedule, and research has shown that the "four by four" day is highly effective. He noted that this would also mean that all three high schools are on the same schedule. He believes that this is a sound decision that the School Board made.

Mr. Boyd asked where the \$800,000 savings mentioned would be shown on the slides presented.

Mr. Price replied that it would show up under "efficient systems."

Mr. Snow asked about the best-case scenario happening with extra revenues, and what that would mean for their budget.

Mr. Price said since it is short term dollars they are looking at, there is no need to fund any long term initiatives. They would probably look at technology as one place to use the dollars or in more short term situations. He added that while there might be some temporary relief, more of the burden for funding education is being pushed back on localities.

Mr. Rooker said that the best course for the schools would be to build back their fund balance because it is a short-term fix, and two years from now there may be a significant loss.

Mr. Price commented that what is coming from the State is becoming less dependable. They are looking at wide shifts; in February it was \$9.0 million and today they are looking at \$4.6 million, and possibly more put into the budget. Somehow they have to get on a more stable funding ground for their schools so that they are not pulling themselves around for the budget. He also looks at this as an opportunity for leaders to be "real leaders" and make sound decisions. He believes that the community should be ready to support education at a much higher level than it has in the past. He said that the schools and local government are funded on \$.64 on \$100.

Mr. Rooker commented that the County is actually funded on \$.53 because land use takes another \$18.0 million.

Mr. Price said the people in the public forum were clearly demonstrating that they are ready for an increase in taxes and an increase in funding for things that they need now especially for some of those services that the community depend on, i.e., law enforcement and education. He stated that the message coming from both the House and Senate is that they are not going to fund these things anymore, but that the localities can gradually fund them by increases of a penny or two cents.

Mr. Strucko added that the School Board is not afraid to face the difficult issues here, as they are considering sharing principals between Murray and Red Hill, or Yancey and Scottsville, and a five-day furlough next year. The School Board is having a Reduction in Force policy review and they have teachers and administrators on edge wondering what is going to happen. A five day furlough would save \$2.4 million.

Mr. Boyd emphasized that this type of thing is happening in the private sector everywhere, and in the early 2000s when the money was rolling in, it was all being spent.

Mr. Price said the School Board cannot make the assurance that if it continues to cut its budget the way it is being cut, that the County will have the highest quality schools in the division. The Board of Supervisors are going to have to decide whether it wants, "good", "better" or "best". There were many, many parents and other speakers who came to the public hearing and said that "we want the best." The Chamber of Commerce has said the reason why businesses are coming here is because this County has the best. The School Division is proving that it will do the efficiencies that the Board of Supervisors is asking but it will hear about it when the students are not competing for the 21<sup>st</sup> Century jobs.

Mr. Snow said that he doesn't disagree with that, but the fact that there is a surplus is an indication that raising taxes shouldn't be done now in anticipation of future funding situations.

Mr. Price responded that thinking that way is somewhat like an ostrich with its head in the sand.

Mr. Boyd stated that the Schools and County government are simply adjusting for the times. Individual families have also had to cut back on the quality of life.

Mr. Strucko agreed, adding that any reliance on public funds must be justified. He thinks they did that; they reduced their budget by \$6.0 million. The School Board increased class sizes, adopted a new schedule, and implemented transportation efficiencies. He thinks they do have to acknowledge that these are difficult economic times and they have to cut, and he thinks they did cut.

Mr. Dorrier asked how many teacher positions had been cut.

Mr. Strucko replied that he does not have that exact number, but even if the schools get what they expect from the state they will still have to reduce. A hold harmless tax rate would bring an additional \$2.0 to \$3.0 million into the school system, and maybe they would not have to cut so dramatically. He thinks the Superintendent responded responsibly to the difficult economic times and then the School Board acted responsibly.

Mr. Thomas commented that County government would want some of that money also for police, fire, etc., if the tax rate increases.

Mr. Rooker said that both the County government and the schools need to realize that they have completely gutted their capital budgets, which is the equivalent to the State eliminating transportation funding. He asked how long can we go as a community with no capital budget?

Mr. Strucko said he sees a lot of services in local government being held harmless, but Community Development and schools have been cut. He asked where the Board of Supervisors prioritize schools?

Mr. Rooker stated that there have been many emails and letters stating that public schools should be run more like private schools, and responded by saying that the average tuition at Tandem is \$15,000, Miller School is \$15,400 for students who do not stay overnight, The Covenant School is \$12,000, Charlottesville Waldorf is \$11,700, and St. Anne's Belfield is \$18,000. None of those schools have to administer SOL tests, none of them have No Child Left Behind tests, none of them have to meet any criteria established by the state and federal governments, none of them have to develop independent education programs for every disabled child in their system like the public schools do because the federal law requires it and recent court cases have expanded that obligation. Private schools do not have to deal with students that cannot speak English that come into the system. They don't have to bus kids - 10,000 kids are on the busses. Mr. Rooker said that there has been a push toward private school-public school comparisons, but if you look locally the private schools are charging a heck of a lot more per student, and have almost no requirements - no overlay of mandates on them.

Mr. Strucko agreed, stating that he sat on both the Miller School and Free Union Country School boards. The way they use to handle shortfalls - tuition.

Mr. Price noted that the public schools do have a mechanism for raising money privately, but they would like not to put too much emphasis on that and rely on it. He asked the Board to look at the tax rate or aligning the current revenues better with respect to the needs of the School Division. He thinks this is a critical time in their history to be able to carefully look at the fiscal management and carefully look at what they need for success in the division. They believe that they have been good stewards of the taxpayer dollars. He said that the schools have taken the cuts very seriously, and have trimmed down accordingly.

Mr. Dorrier said that you don't necessarily get a better education for more money, noting that Charlottesville City spends about \$15,000 per student with Albemarle spending about \$11,000.

Mr. Strucko responded that if the only goal is efficiency, it needs to be noted that there is more spent per pupil at Scottsville, Yancey, Red Hill, and Murray than at the larger elementary schools. He stated that we as a community made a commitment that for these rural communities, neighborhoods, areas in our county, we wanted to preserve that level, that style of education, that quality of education. He added that that's a decision the School Division made in terms of dedicating resources to education. He does not know what is done in Charlottesville; they may have more money and fewer students.

Mr. Price pointed out that when comparing Albemarle and Charlottesville, the county is "better" in terms of SOL results, graduation rates, closing the achievement gap - and spends less per student and pays teachers less starting salaries.

Mr. Strucko noted that the City faces challenges that the County doesn't, in terms of the composition of its student body.

Mr. Dorrier asked if perhaps there should be an incremental increase instead of a dramatic increase.

Mr. Price replied that the schools have seen a decrease for each of the last few years, but if there are increases then incremental growth is the way to go.

Mr. Strucko said he also thinks they should consider any increases incrementally because student enrollment changes year to year, assets deteriorate, equipment needs replacing, etc.

Mr. Thomas asked how much money the federal and state governments supply to help with mandates.

Mr. Zimmerman responded that the federal government provides \$2.7 million to support IDEA (Individuals with Disabilities Act) funding, which is "substantially less" than their stated requirements, or what the actual costs are. He stated that the difference to be made up for by Albemarle is over \$16.0 million, and the courts enforce the application of the IDEA law. It is the law of the land, and they must comply.

Mr. Rooker explained that when the law was passed, the federal government was supposed to pay 40% of it, but now that is about 14%. He mentioned a recent Supreme Court case that essentially requires localities to assume this burden. That is an area that costs a lot of money, and it just keeps growing.

Dr. Moran indicated that state requirements have increased too, and she contested reporting requirements for superintendents because of the hours they add to staff time. She also stated that NCLB requirements cost more than \$200 per student now, above federal funding.

Mr. Tucker said staff has some reports on mandates that can be shared with Board members; it is not just the School system, but also local government.

Mr. Boyd said there are 16 different departments or areas in the School budget that breaks out salaries. If you take the average compensation, which includes salary and benefits, one of the lowest (5<sup>th</sup>) is teachers; the average instructional compensation is \$67,493 per person; transportation services (part-time bus services) is \$28,000 per person; and building services/custodians is \$45,000 per person. It concerns him when he sees average compensation for things like "fiscal services" at \$163,000; instructional support at \$141,000; Department of Instruction and EDU support at \$116,000; Division of Support and Planning Services at \$104,000; and federal programs at \$104,000.

Mr. Rooker noted that about 30% of that is benefits, adding that the Board goes through a process each year of setting compensation based on the market.

Mr. Boyd asked how many of those salaries are above market, and said that he wants to look at total compensation.

Mr. Rooker replied that they do look at total compensation every year, and perhaps Ms. Suyes could come to the next meeting and elaborate.

Mr. Tucker agreed, adding that you must take into account the longevity of some of the people who are reflected in the budget.

Mr. Boyd said his concern is that the average teacher salary is 5<sup>th</sup> on the list.

Mr. Price emphasized that the School Board has not been able to meet its goals for teacher salaries. A principal has to make a higher salary than a teacher, as does an assistant principal. He wishes they could pay their teachers the same pay as a project manager who does construction work. If they don't pay the higher salaries to the CEOs they will lose their competitive edge.

Dr. Moran said it is important to remember that they do a joint compensation to market strategy, and together are compared against both a classified market and a teaching market.

Mr. Rooker said the only category where they targeted the top 25% of the competitive market was teachers. Everybody else is targeted in the middle.

Mr. Boyd said that by aiming for the top tier, Albemarle is effectively putting itself among Northern Virginia and Loudon.

Mr. Rooker replied that those systems are at the top of that 25% range, and Albemarle is at the bottom of it. Actually, last time we looked we were paying pretty much about the same as Fluvanna.

Mr. Zimmerman stated that Mr. Boyd's methodology is not an accurate reflection of the whole picture because it takes total compensation and benefits then divides it by FTE. If you do that, you're ignoring all the part-time wages, and all the substitute wages that may be paid in some accounts. He added that using that approach really skews the data very significantly.

Mr. Boyd said his calculations are based on information provided in the budget book; it was broken down by departments and it had compensation.

Mr. Rooker said that the whole idea that the schools are top-heavy is not really accurate, as the administration only represents 4% of the entire budget – and this includes nurses.

Mr. Dorrier asked why some of the \$4.4 million couldn't be used for technology and part of it for teacher compensation.

Dr. Moran said the School Division has to return to local government \$3.4 million. Mr. Zimmerman said, because of revenue shortfalls, local government will be providing the schools with \$3.4 million less than what was initially stated they would receive in the current year. It is extremely difficult to budget because the revenues decreased mid-year. They are using their reserves to meet current year needs.

Mr. Rooker emphasized that that's why it's important that the schools keep a fund balance.

Mr. Price responded that some of that money would have to go to what's already in the budget, adding that perhaps in the future CIP money could be focused on technology.

Mr. Dorrier commented that the Senate and House might put something back in the budget for technology.

Mr. Rooker noted that both Mr. Dorrier and Mr. Boyd are on the CIP Committee, so they can make recommendations in that process. If the state is no longer going to fund technology in the classrooms somehow a way will have to be found to do it.

Ms. Mallek thanked School Board members and staff for being present.

(Note: At 11:10 a.m., the Board took a recessed, and reconvened at 11:26 a.m.)

### **Community Services, Parks, Recreation & Culture**

Mr. Bryan Elliott, Assistant County Executive, said that staff is proposing just over \$6.0 million in expenditures for Parks, Recreation and Culture in FY11, a decrease of \$359,000 compared to the current fiscal year. He said that the Jefferson-Madison Regional Library system comprises 50% of this category's expenditures, with the Department of Parks & Recreation comprising 36% and the 10 parks, recreation, and cultural agencies comprising the balance – or 14% of the overall budget. He said that staff has taken a two-year look at positions and funding, and over the time period one position has been frozen, eliminated, or offset by alternative revenue – representing about 1% of the staffing changes; there has been a 4.4% decrease overall in funding, or \$279,000. Despite reallocation of Transient Occupancy taxes from the ACE Program to partially fund Parks & Recreation, there are still net reductions to programs and services equating to about \$114,000 – reduced summer beach hours, closing or transferring operational responsibilities for the Meadows and Scottsville community centers, ceasing of greenway acquisitions, and closing of the Howardsville boat launch. He said that there is a 10%, or \$8,500, reduction proposed for cultural festival and arts programs, as well as proposed cuts of \$158,000 to the JMRL funding – which has been added back in by the Board.

Mr. Elliott reported that there is a proposed overall decrease of \$88,862 or 3.9% in the Parks & Recreation budget, despite the proposed opening of two new parks - at Preddy – which is in final site plan process review, and Byrom – with bids expected this Tuesday and construction beginning later this spring. He noted that both parks are very rural, and won't require much in terms of ongoing operating costs, adding that the trails at Preddy would be handled primarily by volunteers.

Mr. Pat Mullaney, Director of Parks and Recreation, said that the costs are minimal, other than some supervision for opening and closing the parks – absorbed by some changes in work from existing staff, volunteer recruitment for trail maintenance, and a Park Services Officer now shifted over to trail maintenance. They are trying to absorb these parks into their existing budget.

Mr. Snow asked if there is a picnic shelter or swimming at either of these parks. Mr. Mullaney replied, "no".

Mr. Rooker asked if there will be horseback riding at Preddy. Mr. Mullaney replied, "yes".

Mr. Elliott also reported that Darden Towe Park is a partnership with the City of Charlottesville. The Darden Towe Park Committee oversees maintenance and operation of that park, with County staff coordinating the mowing of the grass and maintenance of the fields – which is estimated to increase \$2,800, with the County's share being \$976 or .6%. This is based on formula.

Mr. Elliott said that Recreation and Cultural agencies contributions would decrease, except for the Library services put back in, and once that is removed the total decrease is around \$111,000 driven primarily by the change in the Transient Occupancy Tax transfer. The festivals, arts and public television programs are reduced by 10%, representing approximately \$8,500. Mr. Elliott explained that there are 12 recreational and cultural programs (First Night Virginia, Heritage Repertory Theater, etc.) with reduced or eliminated funding, as listed in the Board's information.

Mr. Dorrier asked what the County staff's position has been on the Scottsville Community Center.

Mr. Elliott responded that it is approximately \$36,000 per year.

Mr. Mullaney explained that the youth basketball program is the primary use at the Center, with 105 kids or 10 teams – 30% being non-residents of the County. He said that the basketball program could be housed at Walton Middle School if the Community Center were transferred, adding that JABA also has a meals program there every Wednesday for about 50 seniors, and there are about 175 hours of private reservations as well as a Better Life food program. Mr. Mullaney said that about \$2,000 in revenue is brought in per year, with about \$36,000 in expenses. He emphasized that the focus now is on the best possible use for that Center, perhaps expanding it to include housing. He added that another consideration is that there are going to be some major capital expenses on the building in the future.

Mr. Dorrier said that the community depends on this building for meetings, as it is the only space in Scottsville that will hold over 400 people and cutting it out would be detrimental. He sees it as a legitimate function of the County.

Mr. Tucker stated that it could be transferred to the Town, as a lot of the meetings are very local.

Mr. Elliott said that when Parks & Recreation evaluated their programs and services, they looked at numbers of participants at parks and in classes, and the highest use of services drove the decisions.

Mr. Mullaney added that they are not talking about Dorrier Park or the outside facilities, just the buildings.

Mr. Dorrier said that he would like to see the County maintain a presence there, and wanted to add this item (\$36,000) back to the list. He also asked how much the Howardsville boat launch costs per year.

Mr. Mullaney replied that the cost is about \$25,000; the actual rental is only \$5,000 – and the County must deal with a private landowner there. He explained that the state built the launch there on private property, and had a falling out with Mr. Baber in 2000. Mr. Mullaney said that for the last nine years, the County has had a good relationship with the landowner, but the lease runs out this May and the current owner has indicated he won't extend the current lease. He has put a lease in the hands of his attorney in case the County wants to continue use of the property. Mr. Mullaney said he has informed the State that the County Executive's budget does not include the boat launch, as the responsibility for this regional service is the states. The County stepped in because the state was ready to close it and the Board asked them to step in. He thinks it is time for the state, if they are interested in keeping it open, to step in and decide whether they want to keep it open. Mr. Mullaney said that he has spoken with the Department of Game and Inland Fisheries about this, and they are dealing with the landowner to see if he's interested in pursuing it.

Mr. Dorrier said he thinks the County needs to work with whomever to keep it open. Just because the state made a mistake, it does not mean that the whole launching area should be wiped out.

Mr. Mullaney said the problem is that the state has no property there for a launch, without the cooperation of the private property owner. Even if the County decides it is going to continue funding for this purpose, they may not reach an acceptable agreement with the private property owner. The staff is looking for direction on whether the Board agrees it is a state responsibility to deal with this and if the state cannot deal with it, do you want Parks and Recreation to once again get involved.

Mr. Rooker suggested letting the state see if they can work it out. It adjoins state property, it is a state function and the state has already indicated it wants to talk with the landowner about working out an arrangement. The landowner is mad with the County and doesn't really want to deal with the County. It should be the state's responsibility to keep access to the River open.

Mr. Dorrier commented that the County should do whatever it needs to in order to keep the launch open, as the public puts its canoes and boats in there.

Mr. Mullaney said that the relationship with the landowner has been soured a bit by another County department.

Mr. Rooker emphasized that this is the state's responsibility, and Albemarle needs to step out of the picture. It is the state's fiscal responsibility; not the County's. Mr. Rooker added that he hopes Mr. Dorrier will support the revenues necessary to keep all these programs going that he is interested in.

Mr. Dorrier said he thinks the River is a lifeline for the Town of Scottsville.

Ms. Mallek noted that it seems DGIF has a better chance of making this work than the County does.

Mr. Rooker again asked why should the County spend money on something that the state will probably step in and do.

Mr. Davis pointed out that unless the state reaches an agreement with the property owner by May, the launch will close at the end of that month – when the lease expires.

Mr. Rooker suggested that Mr. Dorrier's constituents contact DGIF with their concerns.

Mr. Boyd said that there needs to be some consideration given to the possibility of moving away from a regional library system; \$3.3 million could fund all the libraries in the County.

Mr. Dorrier said he thinks that is a good point.

Mr. Rooker replied that the Library system would lose about \$600,000 that it receives per year from the state. If you don't have a regional library system how do you deal with the cross-use of the system with residents of the City and the County.

Mr. Boyd commented that the Revenue Sharing Agreement is supposed to address some of that.

Mr. Thomas Foley, Assistant County Executive, said that staff is planning to bring the library system discussion to the Board during strategic planning, as there are some big-ticket items in the CIP (approximately \$50.0 million for libraries) – which has now been scaled back. Future expansion of the library system is a question that needs to be addressed.

Mr. Boyd noted that there could be some mutual reciprocation with libraries, as there is with Fluvanna and even the University.

Mr. Foley said he thinks there is a huge library system in the middle of the County that is not being factored into the whole service picture.

Mr. Rooker commented that the funding issue for the current year needs to be dealt with first, but it seems the Library Board is open to reworking the entire agreement.

Mr. Dorrier said that the five-year plan for the libraries is a pretty ambitious plan.

Mr. Boyd said he is not advocating doing anything, but it is something that the County needs to give some thought to.

Mr. Davis mentioned that Albemarle owns the local branches, and co-owns the Downtown and Gordon Avenue branches.

Mr. Dorrier commented that the County is paying an exorbitant rent for the Northside branch.

Mr. Rooker pointed out that the reason the County extended the lease at Northside is because it turned out to be a better approach than building a new library. He said that around the country, lower costs are not necessarily realized by libraries that are not in a regional system.

Mr. Tucker added that it's too late to make changes in the agreement for this next year, but in the future the Board can certainly consider it.

Mr. Elliott reported that for **Community Services** the cumulative service impacts in the recommended budget include deemphasizing the community policing function, no progress toward improvement in response time goals for Police Officers, reduction of the Family Support Program – with no middle school coverage and one less elementary school covered, and Bright Stars Coordinators reduction to 11 months.

Mr. Rooker said that he would like to see Family Support workers put on the list.

Mr. Elliott added that the \$8.8 million in the School budget does include reinstatement of those Family Support workers, provided that money is restored.

Mr. Rooker asked what it means for that program if it is reduced.

Ms. Kathy Ralston, Director of Social Services, said that the Bright Stars families are very poor and usually have many other stressors in terms of employment, parenting, substance abuse, etc. – and reducing the schedule for the program increase the likelihood of child abuse and neglect reports, as caseworkers won't be involved. She said that even with a month's loss of time, there is a noticeable difference in the household organization of those families, adding that the program also provides services for Bright Stars alumni.

Mr. Rooker asked if there is the same level of enrollment during the summer. Ms. Ralston replied, "yes", they are not in school but that same number of children are helped during the summer. She said that she thinks that one reason they are able to maintain good data on the children as they progress into school is because they do provide backup support. They can stop a problem from becoming a bigger problem later on down the road and that is what they do with alumni. Ms. Ralston mentioned that last year the program served 365 Bright Stars alumni.

Mr. Boyd asked how the Family Support and Bright Stars teacher work together.

Ms. Ralston said this is just about Family Support.

Mr. Boyd asked if this is funded by both the Board and School Board.

Ms. Ralston said there is some funding in Family Support from the School Board and also some funding of Bright Stars from the School Board. She added that this funding impact does not impact the teachers; only the Social Workers.

Mr. Rooker commented that the children do not show up someplace during the summer, this allows someone to go into the homes of the children who are in the program and try to keep them on track. Ms. Ralston said that is correct. She added that while the Social Workers are not teachers, they work with the teachers in the spring to assess the child's needs and work with the families on their own issues.

Mr. Boyd commented that it seems this absolves the parents of their parenting skills.

Ms. Ralston said they do not stay with them all the way through; they provide a safety net. She explained that 16 kids graduate from Bright Stars annually and go on to K-1 through 5. The alumni they serve through the fifth grade are only served when the teachers or parents call and say there is a problem. The teacher may also see a need. It's not an ongoing thing, but there may be a time when they are working with an alumni family for six months or eight months because they need to work with them for that long a time.

Mr. Rooker said that "in a perfect world" every family would have two parents that make adequate money to support their families and they would discipline their children when needed, and the kids would show up ready and they would read to their kids at night, and do all the things we all imagine that parents ought to do with their kids. Unfortunately, we don't find ourselves in that situation. There is a large part of the population that are one-parent families, that they may or may not have a job where they can adequately support the kids they have. We can say "well, that's their problem", but the problem is it's a societal problem because if those kids don't learn the right things at a very early age they get behind in school immediately, then they become disciplinary problems, and then a high percentage become legal problems – and then we end up paying for them to be incarcerated, and on and on."

Mr. Boyd responded that if we're making people dependent on the government to provide these services for them, we're not encouraging them to take it on themselves. Job training and family services, and all these things really should be designed around getting them to be self-sufficient and self-sustaining.

Ms. Ralston emphasized that the Department doesn't want them to be dependent on the system, and all of the things in place are to encourage them to become self-sufficient. The impact of the erosion of this kind of support is going to be seen in CSA. That's where they will eventually see it, and then it becomes a mandate. Right now, this is not a mandate. It is a prevention program.

Mr. Dorrier commented that "prevention" is the watchword of the future.

Mr. Elliott then commented that they have also discussed housing initiatives, downpayment assistance, elimination of the Homebuyer's Club and reduction of rental subsidies for senior apartments. Staff would be happy to answer any questions from Board members.

Ms. Mallek asked if there is anyone in line to take over management of the Meadows.

Mr. Elliott responded that the Office of Housing and Parks & Recreation have had discussions, but he is not sure what the status is.

Mr. Ron White, Director of Housing, stated that the property now is a leasing office for the Meadows, and the property has gone through a change in ownership and expansion of units; hopefully in a few months there will be an open house. He said that the next step is to have a meeting with interested parties, and Mr. Gordon Walker wants to be involved – as JABA also has an office there.

Mr. Boyd said that he's been working with Dr. Hurt, Martha Jefferson Hospital and State Farm to try to get the one last piece of greenway done.

Mr. Mullaney replied that it has already been dedicated, stating that Parks wants to bring it into the system. The Board will be discussing the Capital Budget where Parks have some remaining greenway funds. To open that section requires some bridges which will be difficult. It will be ideal to retain some of the greenway funds to complete that project. This is more about aggressively getting other greenway properties. If someone shows up and want to give us something that is not going to cost anything to maintain, Parks will take and hold it for the future.

Mr. Rooker asked if there is an estimate for the cost of the footbridges.

Mr. Foley said that the cost of the footbridges would be discussed during the CIP meeting.

Mr. Thomas complimented Mr. Mullaney and Parks & Recreation for their work on the greenways, noting that a visiting Planning Commissioner from Roanoke had been very impressed with the local system.

Mr. Richard Wiggins said the last section of the budget is the **nondepartmental** section.

Mr. Rooker said it would be helpful to have Chief Miller inform the Board about the manpower situation in his department, what that means to response times, community policing, where they are operating now and in the future, etc.

Mr. John Miller, Chief of Police, said that at present the Police Department has five frozen positions, five vacant positions, two officers on disability, and one officer serving in Iraq. Chief Miller said that their unit is down 12 officers – which is the equivalent to one full patrol division. He said that the most important part of community policing is problem solving where monthly they look at their service calls and identify the major problems within the community. There have been several target areas where there are problems – Southwood, Wilton Farms, Mallside, and the Trophy Chase area – and in the past they have been able to put resources there but can no longer do that. Chief Miller mentioned the incident at Fashion Square Mall, which took about every available officer. Noticeable shortages are hurting them and that is where community policing falls in. If they are not working with the apartment coalitions, or paying attention to Southwood, Wilton Farms, Mallside, or Trophy Chase, they are running other calls. Currently the department is receiving about 5500 unit calls for service per month, and this is constantly increasing – with County calls now outnumbering City calls. Chief Miller mentioned a break in a recent burglary case that took seven out of 11 investigators for three weeks, which means a lot of cases are not being worked on. Their workload is increasing, and they have no flexibility to work on problems.

Mr. Snow indicated that during a tour of the department, it was mentioned that there was difficulty filling these positions.

Chief Miller replied that good officers from other jurisdictions are not moving right now due to the economy, and there are problems filling the vacancies. In response to Mr. Dorrier's question about turnover, Chief Miller said they lose about six per year out of over 123 officers.

Mr. Snow asked if the vacancies are due to lack of funding or lack of candidates.

Chief Miller said that they have the funding to go up to 118 officers and they have been concentrating on certified officers – but now they may have to hire those who are new and not yet through

field training. It takes a little over a year to get a new officer hired, through the academy, through the field training program and then out on the street to be a productive officer.

Mr. Rooker asked how many officers the department currently has.

Chief Miller said there is funding available for five officers, as the current level is 113 – but this will not enable the department to do community policing, unless the number can be built back up to 123.

Mr. Boyd said the Board did not say anything about reducing the police staff by that amount; he asked if they were asked to contribute across-the-board.

Chief Miller said they froze five positions which took them from 123 to 118 officers.

Mr. Boyd said he thought if there was going to be any frozen positions that it would not impact emergency services, police and fire. He thought the positions would come from other areas.

Mr. Rooker said if you look at the size of the organization, in order to get the kinds of cuts necessary, you had to basically not hire anybody back that left no matter where. In some cases they are able to move people around internally to cover “hot spots” where the County could not do without that function.

Mr. Boyd said he does not want to create a situation where they are endangering the citizens. He is making the assumption that the Chief felt he could continue to provide policing services by cutting these people otherwise he should have come to the Board and said something.

Mr. Snow said one of the problems is that they cannot find qualified applicants.

Mr. Elliott said he thinks it is a question of timing. As officers left the police force and staff saw the precipitous decline in revenue, they had to go somewhere because otherwise the County would not have met its funding obligations. Staff had a solid conversation with the Chief and he told staff he could reduce from 123 to 118 but this is the outcome, no community policing. It also came down to a reduction in service level. Also, when a potential candidate sees that an organization has frozen positions, they become somewhat skittish about applying.

Mr. Boyd asked if crime has increased in the areas where they were doing community policing. Chief Police replied, “no”, other than nuisance crime. There currently have no affect on drug or violent crimes.

Mr. Foley added that even with the five, the Police Department’s percentage of reduction is less than other areas of the organization.

Mr. Rooker asked if reasonable candidates can be attracted with the starting pay Albemarle offers.

Chief Miller responded that there has not been a problem attracting people entering the profession, but the question of overall employment in the County always comes up, as does the question of whether the force policy is “last in, first out.”

Mr. Dorrier asked what percentage of police live in the County.

Chief Miller replied that about 30% do.

Mr. Rooker noted that that does not include the numbers who live in the City.

Mr. Wiggans then continued with his report. He stated that there is a \$4.1 million decrease – or 4.1% - to School operations, based on the decline in General Fund revenues and the 60/40 split policy. There is also a decrease of \$1.9 million – or 13% - to School Debt Service, based on principle and interest obligations in FY11. There is also an approximate decrease of \$775,000 to School Capital. Mr. Wiggans said this will be discussed in detail during the CIP discussion on Monday. As the Schools mentioned, their request is unfunded by \$8.8 million but there is a lot of uncertainty in terms of State funding.

Mr. Wiggans said that the Revenue Sharing Agreement with the City is increasing by \$415,000 to \$18.4 million, and transfers to the General Government Debt Service are increasing by approximately \$400,000, a decrease of \$272,000 for Capital, and an increase in Stormwater of \$11,000. Mr. Wiggans stated that the Board’s reserve for FY11 is \$106,000, and there is a \$25,000 salary reserve for any reclassifications that are requested during the year by Human Resources. He noted the \$800,000 shortfall contingency for revenues that has been built into the budget, and mentioned the increase in VRIP funding for FY11 because of retirements that took place in FY09 and potentially in FY10. Any additional funding for the early retirement program being discussed now will be funded from the Fund Balance. He said that the Economic Opportunities Fund is available at \$250,000 and there are no additional monies slated for that in FY11.

Mr. Boyd asked if the \$800,000 is carry-over or new revenue.

Mr. Wiggans replied that it is revenue built into the Operating budget.

Mr. Foley clarified that there was \$1.3 million for local government and schools, and \$540,000 was used for local government this year for the shortfall. The School Division used some of their Fund Balance for their shortfall. There is about \$820,000 still remaining which is in the Capital Fund, and it may be where local government will want to draw for early retirement incentives.

Mr. Tucker said this covers General Government's budget and all other expenditures.

Mr. Boyd asked for an explanation of the reduction in the School's Debt Service.

Mr. Wiggans explained that there was a delay in the planned sale for schools in the Fall of 2009, and which has now been deferred until fall 2010.

Mr. Tucker noted that it could also be VPSA.

Mr. Rooker asked about the status of the Post Office Building.

Mr. Tucker responded that Ms. Susan Stimart is looking into it; he hasn't received a response from her yet.

Mr. Rooker commented that it is probably a long shot, but the \$250,000 in the Economic Development Fund might be able to help foster some use of that building.

Mr. Tucker then went over the list of items for potential funding. The list begins with the Board's Reserve of approximately \$107,000 to use either in these work sessions or next year for an emergency. The Board identified a number of additions, putting back VML, TJPDC, the Cooperative Extension Service, Family Support workers, and the Scottsville Community Center – which would create a net Board reserve deficit of over \$314,000.

Mr. Rooker said that he would add to that list two cents for capital. He thinks that adopting a budget that has nothing allocated for capital projects over five years is just not financially prudent. He asked if the Board is going to do the same thing next year. He added that this is the first time in his eight years on the Board that this kind of approach to budgeting has been taken. It's basically a "rob the future to not pay now".

Mr. Boyd commented that these are the worst times in those eight years though.

Mr. Rooker said that that can be used as an excuse, but you can't go on forever without investing in the community.

Ms. Mallek added that one of the CIP policies is not to make choices that transfer obligation or delay something to a future year, and there is the opportunity now to build things at about 30% savings.

Mr. Rooker stated that having a capital fund at least allows you that flexibility when times are worst. He mentioned that transportation funds have been used already to balance the budget. You can't operate that way long-term.

Mr. Boyd suggested that they discuss it further during the CIP work session.

Mr. Rooker said he wanted to put it on the table for discussion.

Ms. Mallek commented that the VML membership fee is high.

Mr. Tucker said that it is only an associate membership, too.

Mr. Dorrier said he thinks that VML should be eliminated because the County doesn't get anything out of the membership.

Mr. Rooker said that larger counties are a member of both VML and VaCo, and those organizations work with legislators to advocate for a budget at the General Assembly that brings millions of dollars back to localities. There are private industries that spend a lot more money than VML and VaCo to lobby. In order to get their ears, we need to support these organizations that do that kind of work for us.

Mr. Snow asked if it would be beneficial at this point to send letters to the legislature about some of the things the County would like to see done.

Mr. Tucker responded that sending it to the conferees would be the best avenue.

Mr. Rooker noted that Delegate Steve Landes is on the conference committee, adding that VML and VaCo have people talking to the conferees. He said that if every locality cut out those expenses, there would no longer be an organization working on their behalf. He thinks the County needs all the help it can get.

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

At 12:37 p.m., Mr. Thomas **moved** that the Board go into a Closed Meeting pursuant to Section 2.2-3.711(A) of the Code of Virginia under Subsection (1) to consider an administrative appointment. Mr. Rooker **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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At 1:10 p.m., the Board reconvened into open meeting. Mr. Thomas **moved** that the Board certify by a recorded vote that to the best of each Board member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting. Mr. Snow **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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Agenda Item No. 4. Adjourn to March 10, 2010, 9:00 a.m., Room 241.

There being no further business, at 1:10 p.m., the meeting recessed until 6:00 p.m., for the regular night Board meeting.

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Chairman

Approved by the Board of County Supervisors
Date: 06/09/2010
Initials: EWJ