

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 17, 2010, at 9:00 a.m., Room 241, Second Floor, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from March 15, 2010.

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

ABSENT: None.

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

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

Agenda Item No. 2. Closed Meeting.

Motion was immediately offered by Mr. Thomas that the Board go into Closed Meeting pursuant to Section 2.2-3.711(A) of the Code of Virginia under Subsection (7) to consult with legal counsel and staff regarding a specific legal matter requiring legal advice relating to the YMCA agreement, and 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: Mr. Rooker, Ms. Mallek, Mr. Snow, Mr. Thomas, Mr. Boyd and Mr. Dorrier.

NAYS: None.

Agenda Item No. 3. Certify Closed Meeting.

At 9:40 a.m., 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 session were heard, discussed, or considered in the closed meeting. Mr. Rooker **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

NAYS: None.

NonAgenda. Mr. Rooker reported that after some discussion about the YMCA and the long history of the County's commitment to that project that is now planned for McIntire Park, the Board intends to abide by its contractual and moral obligations previously made to the YMCA, and will stand by its commitment.

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

School Division

Mr. Tucker said Chairman of the School Board, Mr. Ronnie Price, is present to discuss the School Board's budget in terms of the State revenues after recent action by the General Assembly.

Mr. Price said that the budget picture from the State Department of Education is still murky. The School Division will not receive actual numbers until Friday, March 19th. His presentation today will be somewhat speculatively and is not the final word from the State. He asked that the Board take that into consideration and said the School Board's preference is that the Board of Supervisors delay consideration of a tax rate until that information is available.

He reported that the Schools' analysis is that the State has reduced recurring funding by about \$7.4 million for the biennium. A piece of that would be the Composite Index and the other is the hold harmless rate for the current year. This year the School Division would be held harmless from the Composite Index at 100%, next year they have to come up with 50%, and the third year it would be 0%. Mr. Price added that the Composite Index reduction is estimated to level out at about \$5.2 million per year in losses to the School Division in that third year and would carry forward from that. He noted that there will be some one-time funding from VRS and other sources, but they are viewed in the same way as stimulus money is for things such as transportation, technology, or securing the Schools' Fund Balance. They do not want to use those one-time funds for reoccurring costs. The School Division anticipates their Fund Balance next year being at around \$112,000 which is not enough money.

Mr. Price reported that the School Board will not be revisiting things they have put into place that cannot be changed, such as the four by four programming, but they may revisit the decision made to consolidate some of the smaller schools and the principal positions in those schools. He said that the schools are looking at about \$4.5 million from the VRS expenditure, or 30%, which is coming from the total fund and may eventually have to be reimbursed. Mr. Price stated that the School Board believes their revenue numbers need to be resurfaced, and the School Board appreciates Delegate Bell's efforts. He added that the School Board would like to see an equalized tax rate, and the public outpouring of

private support is an indicator that the community supports it too. He thinks it would be a good idea to start things now on an incremental adjustment to taxes given the direction that funds are going.

Mr. Dorrier asked about the funding for instructional coaches and the number of teachers involved. He mentioned a letter he received from a teacher who felt that the instructional coaches had been a "bust" at Scottsville. According to this individual these coaches are rarely called on for assistance, and teachers are being sacrificed to save money. This person asked that the County eliminate these coaches, not the teachers, and save money.

Dr. Pam Moran, School Superintendent, explained that a year ago, the schools realized a cost savings that enabled them from avoiding cuts in classrooms by reducing the number of literacy specialists and C-tips, and replacing them with an instructional coaching model. She said that schools ended up not filling those positions to the extent they thought they would, adding that they are required to have 24 non-teaching positions to meet State Standards of Quality. She added that she thinks the opinion mentioned is isolated because she has personally worked with some educators from Scottsville who have said how much they appreciate having coaches in the schools working with the directly. The coaches work across multiple schools and while that is an opinion, it is not an opinion shared across the School Division by other teacher educators.

Mr. Dorrier asked if these positions are paid for by State money.

Dr. Moran responded that the positions are required by the State. They actually had more than that but last year the number of positions were reduced to the minimum required by the State. They cannot eliminate them, and they must exist in the way that they exist outside of the classroom.

Mr. Price added that one of the biggest values of have the instructional coaches is that there are a lot of good teachers who hit a plateau within their careers and wanted to do more. The instructional coaching model allows them to move into a new level within the organization and adds value with respect to delivering best practices across the School Division. The majority of emails he has received, particularly from new teachers, have been very positive.

Mr. Boyd said that he has also heard from teachers that the coaching model isn't effective.

Dr. Moran said the 24 coaches do not touch a significant number of teachers right now because it is a startup year. They are spending most of their time with new teachers.

Mr. Boyd said he is hearing that the coaches do not go into the classrooms.

Dr. Moran replied that that's an inaccurate perception, as the coaches spend most of their time in the classroom.

Mr. Rooker pointed out that the School Division reduced a number of full-time positions to go to this model, and the complaints he has heard are related to the loss of the prior resources, not the coaches.

Dr. Moran reiterated that the coaches are staffed in the schools, and when she visits the schools she does a reality check of where she sees them. As an example, yesterday at Brownsville Elementary School, the coaches were helping administer writing tests to the fifth graders along with the regular classroom teacher. Board members need to understand that they only have 24 coaches spread across the Division, but over 1,000 teachers.

Mr. Boyd asked if the schools would have a balanced budget this year, based on what they are hearing from the State. He agrees that the School Division does not want to plan long term with short term money.

Dr. Moran indicated that Dr. Bruce Benson, Assistant Superintendent for Operations and Systems Planning, has told her another \$400,000 would need to be cut.

Dr. Benson said that he would recommend to the School Board once the final worksheets are received that the expenditure plan is reviewed to make sure that recurring resources are aligned with recurring costs, and in areas of short-term funding they would be hesitant to commit those to long-term costs. He emphasized that he wants to make sure that smart, strategic decisions need to be made for the long term, and the School Board will need to consider the big picture when they set their budget. They may also need to take a look at their workforce and how they are delivering services.

Mr. Price noted that the Composite Index will definitely impact the school budgets in the future, and the School Board needs to take that into consideration now when setting their budget. He believes it would be irresponsible to use short term funds to fund long term activities including positions.

Mr. Snow asked about further cuts coming from the state.

Mr. Benson responded that the schools are looking at about \$7.4 million in reduced recurring monies and the State is going to plug that gap by holding them harmless with the Composite Index 100% in the next fiscal year, and 50% in the year after that, then 0%. He stated the State is reducing commitment to Albemarle County public schools by about \$7.4 million, so that's a reduction in recurring revenues. Mr. Benson explained that they are using a hold harmless with Composite Index and a delay in expenditures associated with VRS in order to help plug that gap.

Mr. Rooker said no one knows what will happen next year when the General Assembly meets and the Board may adjust what it does based on where the School Board is next year in order to help meet their needs. This Board is faced with the immediacy of meeting this year's needs and doing it in the most efficient manner. He understands that the School Board has to look at the long term, but the budget sent to the Board was out of balance by \$8.8 million, and that had already been cut by \$6.0 million. He said that it seems that the revised budget now will be in balance within \$400,000, adding that they would be in pretty good shape if the tax rate was held to an equalization rate.

Mr. Price said that is correct, but only with the current reductions they have taken.

Mr. Thomas asked if the School Board based their budget on the equalization rate or the 74.4 cents.

Dr. Benson said they built their funding request on the current tax rate.

Mr. Rooker added that if the Board maintained an equalization tax rate, \$400,000 would be available to the School Board and the Board would have most of the money it needs for capital planning.

Mr. Dorrier asked how this fits in with the \$4.0 million fund balance.

Dr. Benson replied that the schools are using some of that money to plug shortfalls in the current fiscal year and as part of next year's budget, leaving a safety net of only about \$100,000. This is allowing them to also budget forward approximately \$1.8 million into next fiscal year.

Mr. Price commented that with an equalized rate, they could possibly build up the fund balance. The School Division wants to get away from use of the fund balance to carry them through when the revenues are not as good during the current year. He is also concerned that all of the School capital projects have been discontinued.

Mr. Rooker said that he suggested for the Board's budget to include \$3.0 million into capital through a two-cent addition to the tax rate.

Mr. Price stated that his fear is that the schools end up in a cliff situation that could be warded off now by an incremental rate adjustment.

Dr. Benson added that the slide showing projections for additional state shortfalls did not take into consideration the \$6.0 million in reductions the School Board had already made.

Mr. Price encouraged the Board to wait until Department of Education specifics were released before setting the tax rate.

Mr. Rooker said that even if the tax rate is advertised for public hearing, it can be changed when it is voted on.

Ms. Mallek asked if they expect in FY 2013 the extra VRS payments to start.

Dr. Benson said they are not certain. If you take what the state is doing and consider them to be short term fixes, they would expect to see a reduction at some point in the neighborhood of \$7.0 million or \$8.0 million.

Mr. Price commented that they are looking at what the state is doing as patchwork. He added that the Composite Index doesn't take into account the Revenue Sharing money with the City, and that \$18.0 million is effectively counted even though the County doesn't get to keep it.

Mr. Rooker added that the land use taxation is also treated unfairly in the Composite Index.

Mr. Boyd asked how often that Composite Index is reviewed.

Dr. Benson replied that it is reviewed every two years.

Mr. Boyd said that the impact of the economy should eventually have an impact, even if there is a lag time of a year or two.

Mr. Rooker stated that the question has been raised as to whether there may have been some errors in computation, as the state says that personal income of people in this area had increased by 30% over a two-year time span. He said that almost 50% of that increase is attributable to about 25 families in the area. Mr. Rooker also stated that it's difficult to predict whether there may be things to cushion an impending cliff, both locally and at the state level.

This ended the part of the discussion with the School Division.

Mr. Tucker said that local government would now present their revised budget figures.

Mr. Richard Wiggins, Director of Finance, reported that the state passed their budget last Sunday, and since then County staff has been working to assess what the impact on County General Fund revenues would be from the state. He said that the County is now estimating there will be an additional

\$350,000 in state and federal revenue, primarily for Constitutional Officers, but also 599 money for Police and a reduction in Social Services revenue.

Mr. Rooker pointed out that the \$350,000 really just brings the state's reduction of \$850,000 for Constitutional Officers down to \$500,000.

Mr. Wiggans said the County Executive's proposed budget was conservative in estimating State revenues and staff is still concerned that the State's budget is fairly aggressive in their revenue estimates for FY 2011 and 2012, and they could be facing budget impacts as they move forward. However, staff is confident the \$350,000 will come forward.

Mr. Tucker said that without the two cents Mr. Rooker suggested adding, the Board has about \$205,000 in their reserve fund, which staff suggests keeping it there until next year.

Mr. Boyd asked for some clarification on how the Family Support worker funding comes from the schools to local government.

Ms. Laura Vinzant, Senior Budget Analyst, explained that in the School Superintendent's budget that money had been removed, so local government had moved it out as revenue, but now it is back in on both sides.

Mr. Boyd asked if that was factored in the Schools budget.

Ms. Vinzant said that was her understanding.

Mr. Bryan Elliott, Assistant County Executive, commented that when the Superintendent's budget was advanced to the School Board, it did not include the Family Support workers. When the School Board adopted its proposed budget, they added it back in. He noted that the total loss of Bright Stars is \$32,000, partly due to the composite index, and \$23,000 of that is gained from reducing the program from 12 to 11 months.

Ms. Mallek said she would like a comparison of VACo and VML costs so the Board can decide whether it wants to maintain membership in both organizations.

Mr. Tucker said the Board can always fund those out of its Board reserve.

Mr. Rooker said that there have been a number of emails received regarding cuts to Piedmont Housing Alliance, including Creciendos Jundas, down payment assistance, and counseling for those who are on the brink of foreclosure. The Board also received a letter from Mr. Ron White, Director of Housing, recommending how cuts could be made in the various programs. He asked if everyone is satisfied to allow those cuts to go forward.

Mr. Boyd stated that it bothers him to pick out winners or losers instead of doing across-the-board cuts for everyone. All of the programs are worthy, and to hold some people harmless and others not is something he's really struggling with.

Mr. Rooker responded that the big one is the Library, and they are being held harmless.

Mr. Dorrier said the Board has received some commitments from the Library.

Mr. Boyd suggested going down the list and discussing each program individually.

Mr. Boyd said that it seems the membership in both VML and VACo is redundant. He would support removing VML.

Mr. Rooker responded that the \$11,000 investment in VML is well worth it compared to the potential millions in cuts that might occur were the organization not advocating for localities. He thinks that Board VML and VACo lobbies for counties. Mr. Rooker stated that Albemarle is both an urban and a rural County. To him this is to me a small expenditure to make sure that the County has two very able groups at the General Assembly working on their behalf, every year. He added that the Board members barely have adequate time to keep up with the legislation, and someone needs to be there to talk to committee members before they go into their sessions. Almost everything they worked on was important to counties.

Mr. Tucker also pointed out that Albemarle is an associate member of VML, not a full member, because the County has a lot of urban area. If Albemarle was a full member of VACo the annual membership would probably be twice what it is.

Mr. Rooker reiterated that he believes VML and VACo provide the County with tremendous dollar for their small investment because they are making the case to preserve funding for localities that makes a difference.

Mr. Dorrier said he supports staying in VACo but questions membership to VML. He commented that the \$11,000 could be taken out and not missed a bit. He is not sure the County gets anything from VML.

Mr. Tucker said the Board gets the same sort of responses on what is going on in the General Assembly. The Board also gets updates; basically, the same services that come from VACo.

Ms. Mallek asked how much was eliminated for the High Growth Coalition.

Mr. Tucker responded a couple of thousand dollars.

Mr. Rooker disagreed with Mr. Dorrier, reiterating that there are people at the General Assembly lobbying on behalf of localities.

Mr. Dorrier replied that Mr. David Blount, TJPDC Legislative Liaison, is down there already.

Mr. Rooker and Ms. Mallek emphasized that he is just one person, and VML and VACo carry tremendous weight. He added that he thinks the County should continue to be in both of them, because at the end of the day it's their work that protects the County.

Mr. Snow stated that he sees the benefit to having someone at the General Assembly on a daily basis.

Mr. Dorrier suggested using them more than the County has in the past if it continues to remain a member.

Mr. Boyd said that the question is not the value of the buck they are being paid. He does not think the lack of \$11,000 to VML will cut back on their lobbying efforts because they are spending much more money. TJPDC represents the County there, as does VACo, and the question is whether a third organization is needed. He stated that he does think they are needed.

Mr. Rooker said it is a small price to pay and if every community said they could cut them out because other people will pay for it, they then become free riders.

Ms. Mallek said she does not think the General Assembly is particularly friendly to local governments whether they are cities or counties, and that is the major charge of VML.

All Board members agreed to keep VML in the budget.

The next item on the list was **TJPDC**. Ms. Mallek commented that the TJPDC has really turned into a new organization in the last year and a half. She thinks that the County will get a lot out of them.

Mr. Boyd said that he appreciates their work, but wonders why they are more in need of funding than other organizations.

Ms. Mallek said TJPDC is returning many dollars to the County for its investment. The leverage is great for the services and for bringing in outside funds.

Mr. Rooker pointed out that TJPDC received a \$65,000 cut from the state. The County is able to get sophisticated transportation modeling from them, especially since the County's own Transportation Planner position was cut. The County is able to provide high level services by utilizing their resources in areas where the County has saved money by eliminating positions. This is a state created organization and we are now seeing that the state is not funding them.

Ms. Mallek added that without the MPO the County would not get any federal highway money because that is the required process.

Mr. Rooker added that the MPO is applying for the grant for the widening of Route 29 from Hydraulic Road to the Route 250 Bypass ramp.

Board members agreed to keep that item in.

The next item was **Cooperative Extension**. Mr. Thomas stated that he wants to keep the Cooperative Extension position in the budget.

Ms. Mallek explained that they are taking big cuts from the state, several hundred thousand, and are being pushed to consolidate with Fluvanna and Louisa.

Mr. Boyd said he keeps coming back to the budget requests which are all worthy, and the Board seems to be picking out a couple and holding them harmless. If it is the consensus of the Board to leave funding in for Cooperative Extension, he will go along with it, but he is still struggling with it.

The next item was OAR. Ms. Mallek said that she supports OAR funding, as dollars for the Reentry program are well-spent.

Mr. Thomas stated that he has always been involved in the program and continues to get further involved.

Board members agreed to keep the item in.

The next item was the **Emergency Housing Repair Program**. Ms. Mallek said this program is operated by AHIP and she supports keeping it in the budget.

Mr. Rooker noted that there is a lot of leverage gained through volunteer work.

Mr. Elliott commented that these are families that are well below the poverty level.

Mr. Ron White explained that the average per household for this program is about \$2,000, with the balance coming from leverage. He said that up until a few years ago the County was giving AHIP about \$10,000 and they were doing about 35 houses with the money they leveraged. Two years ago the County increased it to \$20,000, out of the \$250,000 the County set aside for housing initiatives, so it reduced the Down Payment Assistance Program. Mr. White stated that the additional \$10,000 increased AHIP's work to about 55 houses per year, and even by HUD standards the income level for those is extremely low. Some are under 30% median income. He does not have information on the values of the houses but most of the value is in the land that taxes are paid on. These are emergency needs and without the immediate repairs, these people might be homeless or have to move in with other people.

Mr. Boyd asked if this is where Mr. White would spend \$10,000 were it put back into his budget.

Mr. White said if he were given another \$35,000 in his budget he would reinstate the Housing Counselor position because of the work that does and that could offset some of PHA concerns. In terms of the \$10,000 this would certainly be a reasonable area to consider applying the funding.

Mr. Elliott said that according to AHIP's second quarter report, 27 jobs were completed for the first two quarters of the year with the average income for these households at \$27,900, but some incomes as low as \$8,000.

Board members agreed to leave the funding in the budget.

Mr. Snow asked Mr. White if why he wasn't more definite in his comment regarding putting the \$10,000 there.

Mr. White said that there are lots of valuable programs, housing counseling, the Latino program, etc., and they would have to be reevaluated in that context. Obviously this program may rate a little higher because it is a health and safety issue, and that was one of the determinations they made in recommendations of programs.

The next item was **Library**. Ms. Mallek stated that she's been in favor of holding the libraries harmless, and she knows Mr. Dorrier has been in favor of it also.

Mr. Dorrier said that he has been for the County. He added that the County has neglected to hold Fluvanna and Buckingham's feet to the fire, as 28% of the books at the Scottsville Library are checked out by residents of those localities. He stated that he presented this information to the Scottsville Town Council a few nights ago, and the Town Manager is here.

Mr. Clark Draper, the Town Administrator for Scottsville, said that he appreciates the opportunity to reiterate how important the Scottsville Library is to the town and to residents of southern Albemarle County, seniors, especially those at the old Scottsville School Apartments, the home schooling community, and residents without internet access at home. He said that the Council is prepared to pass a resolution for the Board tomorrow night to keep the library open.

Mr. Boyd asked him to address the Scottsville Community Center.

Mr. Draper said that the center is a nice community resource, with the food bank and clothing bank run out of that building as well as many other activities there.

Mr. Dorrier asked what steps the town was taking to help preserve the library.

Mr. Draper responded that the town's first budget work session is March 31st, and there seems to be a growing consensus among Councilors that there should be support from the town. He also confirmed that a new Friends of the Scottsville Library organization is being formed.

Mr. Dorrier asked if he had talked with Buckingham and Fluvanna about the library usage.

Mr. Draper replied that he has not, and he is skeptical that other localities would contribute money to a different county.

Mr. Boyd asked where the Town of Scottsville gets its revenue.

Mr. Draper explained that it comes primarily from their BPOL tax, meals tax, and cigarette tax enacted last year. He said that currently the town doesn't have an additional real estate tax.

Ms. Mallek asked if the Town Council would be considering taking a greater role with the community center.

Mr. Draper responded that he has not heard any discussion on that, but he would bring it up at tomorrow night's meeting.

Ms. Mallek said it is her understanding that the County is totally funding the Community Center. She knows that it has a lot of use but it is a significant amount of money.

Mr. Dorrier recommended that the libraries receive level funding this year. He would suggest that the Library Board work with the County to get funding from Fluvanna and Buckingham for Scottsville as well as work with the Friends of the Library to expand contributions. He also said that the agreements with other localities in the regional library system should be reevaluated, as Albemarle pays about 60%, with the City only paying 17%, and surrounding localities paying smaller amounts.

Ms. Mallek pointed out that those amounts are based on users, and the libraries get each user's origination when a book is checked out or a computer is used.

Mr. Boyd said he supports keeping the funding for the Library in the budget. He also stated that the entire library situation should be reviewed during the Board's strategic planning work sessions.

Mr. Dorrier said that based on how this came out in the press he would suggest meeting with the County representatives on the Library Board to look at reevaluating the process.

Mr. Snow said that he hasn't seen the Library budget, but asked if it included an increase in wages for this year.

Mr. Rooker responded that it's a level budget, and wages are not increased at all, just the cost of benefits.

Mr. Boyd said if this is approved the Board needs assurances that the hours at Scottsville and Crozet will not be impacted.

Mr. Rooker commented that the Library Board is independent and the Board has been told that it would be able to maintain level services.

Mr. Tim Tolson, one of the Albemarle trustees for JMRL and Chair the Budget Committee this year, said his recommendation to the JMRL Board is to find ways to cover their \$85,000 shortfall without cutting services at any of the branches.

Mr. Elliott pointed out that the library system has a travel budget of only \$3,700 a year, including local travel.

Mr. Boyd asked how much this budget has increased over last year.

Mr. Tolson responded that this budget level is the same one from two years ago.

Ms. Mallek asked if the other communities met their budget request or provided level funding.

Mr. Tolson said they received small increases from the localities last year. They are hearing the same for this year.

Mr. Dorrier asked if the Library Board has evaluated whether the agreement is fair to Albemarle.

Mr. Tolson replied that they feel it is, but they welcome the opportunity to work with the County on how it can be improved.

The next item was Family Support workers. Mr. Tucker said that has been offset.

Mr. Elliott stated that if the school's budget cuts this out, the County would pick up the full \$188,000.

Mr. Boyd said that the Board could leave it in contingent on the schools funding. He said this decision is based on the school's decision.

The next item was **JABA**. Ms. Mallek said this involves the Meals Program which would cut back meals delivery and some other services as part of the recommended \$14,000 reduction.

Mr. Boyd commented that they get a lot for \$14,000. He emphasized that there is nothing here that is not worthwhile, but he is concerned that some will get level funding and some won't.

Ms. Mallek commented that she views the priority areas as those that are most aimed at the safety net.

The Board next discussed funding for the **Scottsville Community Center**.

Mr. Dorrier explained that that Center provides a place to go for seniors, and also hosts a basketball program for young people. It is really a part of the total community situation, and he thinks the Board needs to support Scottsville.

Mr. Boyd asked if the County maintains any other similar facilities.

Ms. Mallek responded Greenwood Community Center. There is also a partnership with Crozet Park, but they raise their own funds.

Mr. Pat Mullaney, Director of Parks and Recreation, said that even if the Center is closed July 1st there would be some maintenance costs there. It is important that a decision needs to be made for the long term as to the use of this building. Is it to continue the status quo, expand the housing or an intergenerational center? He said that he recommends maintaining funding to allow Center operations through the next year, but during that time the County should decide on an ultimate plan for the facility.

Mr. Dorrier said that it is important to meet with the Town Council and the Mayor to see what their view is on potential usage.

Mr. Snow inquired as to how much money is received from Scottsville for taxes.

Mr. Rooker commented that it is an entire region, not just the town itself.

Mr. Snow asked what services the people there receive from the County.

Mr. Davis and Mr. Tucker responded that residents benefit from schools, fire protection, building inspection, libraries, etc.

Mr. Dorrier pointed out that the Town of Scottsville provides police response for a 10-mile radius outside of the town limits. He added that it is an important tradeoff that they provide the County.

The next item is **adding two cents to the CIP**. Ms. Mallek said that she is in favor of it to help buffer budget uncertainties and provide leverage if other funding sources become available.

Mr. Boyd mentioned that the Board had discussed at their last meeting items that they could save money on.

Ms. Mallek stated that the items that were on the "C" list included CAARS ambulances.

Mr. Thomas noted that two representatives from CAARS were present at the Board meeting.

Mr. Elliott said that he had emailed the Board three documents, the summary outlining the history of the CAARS allocation in the CIP for the four pieces of apparatus; the Fire and Rescue Advisory Board policy outlining the apparatus replacement guidelines; and an executive summary from March 2006 regarding co-titling of apparatus. He stated that funding for the apparatus in question was originally appropriated in FY 2006-07 and also FY 2007-08; however, the Board at that time did not authorize release of the funds pending receipt of information on how the City supports CAARS financially. At the request of CAARS, the Board authorized release of the funds on August 6, 2008, provided acquisition was completed pursuant to County policy, including co-titling of such apparatus. He added that the latest information received from CAARS indicated that three of the ambulances have already been purchased and paid for by CAARS and the units have been titled to CAARS. Mr. Elliott said that based on this information, the procedures used for the acquisition of the three units in question did not follow the policy adopted by the Fire and Rescue Advisory Board, or the Board's policy on co-titling. He added that County staff is continuing to hold those in Category C. Mr. Elliott stated that that still leaves the funding for one additional vehicle.

Ms. Mallek commented that she would rather hold that until the County is sure they have covered all the bases.

Mr. Boyd emphasized that this needs to be resolved and not left hanging any longer.

Mr. Tom Foley, Assistant County Executive, said that the only question left for that category is the CAARS equipment, as staff took from the previous Board meeting that the \$85,000 for voting machines wouldn't be liquidated, nor would \$500,000 for revenue-sharing money for roads; and today the Board made a decision about the YMCA. He emphasized that the other things left on the list of items to liquidate does not free up money to move to the General Fund, but just keep the County from borrowing for maintenance.

Mr. Rooker reiterated that it does not provide money to invest in projects, but reduces expenses to maintain the existing capital plan.

Mr. Boyd said he understands that. The Board is talking about adding \$2.0 million to the CIP and through the liquidation process they are going to add \$5.0 million

Mr. Foley commented that the County avoids borrowing for maintenance, and in the fifth year they would be borrowing for maintenance.

Mr. Rooker stated that that is not a capital plan and is not investing in the community. He added that the ACE Program has been virtually eliminated for the future because there is no capital funding for it, 78 people (13% of the workforce) in the County has been eliminated over the last two years, and the School budget has been reduced by \$6.0 million. He thinks it is really imprudent to go forward with a plan for the County that is based upon making no investment at all in capital for any time in the foreseeable future. He thinks they can do a tax rate that is at or slightly below the current rate and get back to a

prudent plan of putting something into capital. He expressed serious concern about borrowing for maintenance.

Mr. Snow said that the County is protected at least for a few years while it waits to see what happens with the economy, and what happens with State funding. He stated that there is a segment of the population that does not want taxes raised, even though they are not as vocal as those who come out to meetings.

Mr. Rooker replied that nobody is talking about raising taxes. He said that a County survey was done about a year ago, and one question asked was whether taxes were too high, too low, or about right, and the vast majority of respondents said about right. Mr. Rooker said that adding two cents would not increase tax bills and would be a prudent approach to keeping some money in the CIP over the next five years. He added that without that investment, the Board really is not making an investment in the community. Mr. Rooker replied, what we're doing is robbing Peter to pay Paul, let somebody else take care of it. He compared it to the approach used for Social Security, and for VRS. Mr. Rooker emphasized that borrowing to maintain capital in the future is just not prudent.

Mr. Boyd said that the only appropriations being made are for this year, and this is an opportunity for the County to cut back, just as everyone else is. He is in favor of reducing the burden on taxpayers.

Mr. Snow stated that there should be an opportunity for citizens to pay more if they are willing and able.

Mr. Boyd said that the Board had made the difficult decision to go to a revenue recovery system for emergency services, but some of the volunteer departments decided not to do that. He does not think they can expect the County to continue to fund them the way it has in the past, because it had already been identified as a shortfall in the budget.

Ms. Mallek emphasized that she just wants to make sure the Board has all the information before the items are cashed in, between now and the April 7th meeting.

Mr. Thomas said that there seems to be knowledge missing on both sides of the table, and he would like to have a good discussion with the volunteers take place to get more information out.

Ms. Mallek said she will support that.

Mr. Boyd stated that he is not in favor of increasing the rate two cents. Mr. Snow, Mr. Thomas, and Mr. Dorrier agreed.

Mr. Boyd then **moved** that the Board advertise the rate of 74.2 cents to go to public hearing (reflective in the adjustments set out below):

	Proposed Budget	Real Estate Tax Rate
BEGINNING BOARD RESERVE	106,755	
REVENUE ADJUSTMENTS		
0.0 Tax Rate Adjustment (local share)	-	74.2
State Revenue Adjustment	350,000	
Scottsville Community Center Rent	2,325	
Family Support Transfer from Schools	188,795	
Subtotal -- Revenue Adjustments	541,120	
Available Revenue for Expenditure Adjustments	647,875	
POTENTIAL EXPENDITURE ADJUSTMENTS		
Proposed Reductions		
Subtotal -- Proposed Reductions	-	
Proposed Additions		
VML	11,000	
TJPDC	5,415	
Cooperative Extension	5,244	
OAR	8,031	
Emergency Housing Repair	10,000	
JMRL	158,657	
Family Support Workers	188,795	
JABA	14,024	
Shape Up for Seniors	-	
Scottsville Community Center	36,337	
Subtotal -- Proposed Additions	437,503	
Potential Expenditure Adjustments	437,503	
Final Board Reserve	210,372	
Revenue Dedicated to CIP		
Tax Rate Adjustment (based on calculation)	-	
0.0 Tax Rate Adjustment (dedicated to CIP)	-	
Revenue Dedicated to Schools		
Tax Rate Adjustment (based on calculation)	-	
0.0 Tax Rate Adjustment (dedicated to schools)	-	

Mr. Rooker asked if he wanted to put anything in for capital.

Mr. Boyd and Mr. Thomas responded no.

Ms. Mallek asked if he wanted to hear anything at the last public hearing to make any changes.

Mr. Boyd responded that the County should concentrate on expenses rather than revenue.

Mr. Rooker said that the proposal he made didn't increase operational expenses, but recognized the community's desire to invest in capital. He stated that there has always been at least two cents invested in capital, sometimes three.

Mr. Boyd and Mr. Snow responded that the economic conditions dictate the amount for capital.

Ms. Mallek stated that there will be no opportunity to take advantage of a favorable building climate, and that is a sad state.

Mr. Boyd said that it is the state of the economy we are in.

Mr. Snow commented that homeowners and businesses are facing this all the time. The Board should be doing anything it can to help people.

Ms. Mallek stated that every time she's discussed this with her constituents, taxpayers have said they can absorb what they did last year.

Mr. Snow asked if some people could pay the old rate and some could have the choice to pay the new.

Mr. Snow **seconded** Mr. Boyd's motion.

Mr. Tucker asked Mr. Boyd if he would amend his motion to keep personal property tax at \$4.28.

Mr. Boyd agreed to **amend** his motion as indicated.

Mr. Rooker said that he agrees to keep the rate the same, but with a modest investment in capital. He also pointed out that the effective tax rate is 53 cents, and having people voluntarily contribute undermines the collective nature of public support of government, even though they may disagree with certain aspects of the budget. There is nothing new about allowing people to make contributions to particular County programs and projects. The Board regularly appropriates thousands of dollars to schools made by individuals and parents.

Mr. Snow stated that the library and school needs, the core functions, have been met. He was prepared to increase the tax rate if the \$8.0 million shortfall had not been dealt with.

Mr. Rooker asked him if he views capital investment as a core function.

Mr. Snow responded that he does, but at this point it's not an inner core.

Mr. Rooker commented that his concern is that this Board is shifting responsibility to future boards.

Mr. Boyd said the times demand that we give taxpayers a break. This is the first time since he has been on the Board that taxpayer bills have been lowered. He appreciates the analysis about the effective tax rate, but his bill is based on 74.2 cents as is most of the people in this room, with the exception of those in land use.

Mr. Rooker said the 3,000 families that have land use receive an average of \$6,000 per year tax benefit; it is an \$18.0 million program.

Mr. Snow commented that hopefully those are some of the families willing to pay some more taxes.

Mr. Rooker said land use a program choice made by the Board, but it has to be recognized that it is an expenditure. Too often government wants to treat tax benefits to various special groups as though it is not an expenditure. The tax relief for the elderly program as an expenditure.

Mr. Dorrier said that the public doesn't always trust state and federal government, but they can have faith that local government is a wise steward of their money.

Ms. Mallek commented that both Mr. Tucker and the School Board have shown that they can reduce expenditures at a time when outside monies have evaporated. She does not think this Board needs to go lower to prove that to people; the people have already seen that very clearly.

At this time, roll was called and the motion carried by the following recorded vote:

AYES: Mr. Snow, Mr. Thomas, Mr. Boyd and Mr. Dorrier.

NAYS: Ms. Mallek and Mr. Rooker.

Mr. Tucker said the other issue to discuss is how to encourage individuals, if they choose, to provide additional funding.

Ms. Lee Catlin, Community Relations Director, explained that the County does have the Albemarle County Contribution Fund, which has been in place for quite some time. Ms. Catlin said that people have been informed of this in their tax bills. Donations made to the County for public purposes are tax-deductible; donations that go to third parties may or may not be tax deductible, but the direct one to the County is. She stated that citizens can write a check to the County and provide written instructions as to how they want that money applied, and 100% of the donation supports the program or service of choice, with no service charges for those made by check. If the Board desires, an insert could be prepared and included in the upcoming tax mailing.

Mr. Rooker said that it is a good idea, and he would like a check box that specifies schools, parks, etc., or other.

Mr. Davis explained that at one time there was a desire to allow people to make donations, and inserts were put into tax bills with check-off boxes. Initially there were a few thousand dollars donated but over time it ended up costing more to put the inserts in than the actual return. He added that staff fully agrees, given the times, that it should be tried again, but suggested that the inserts be put into personal property tax bills rather than real estate tax bills. A lot of real estate tax bills are paid by mortgage companies. Staff can grapple with the details if the Board wants to move forward.

Mr. Boyd asked if any administrative work would be required to acknowledge contributions.

Mr. Davis responded that in some cases a canceled check would suffice, but in some cases more may be required and staff is looking into the legal requirements.

Mr. Rooker said he is concerned that the ACE Program has been eliminated, and it was one of the most popular programs in the County.

Mr. Snow said that it has only been reduced this year, and it seems the worst-case scenario is being used here. Board members do not seem to be looking at what could happen with the economy and how these programs could be reinstated when monies become available.

Mr. Rooker responded that it is really not the worst-case, because the revenue projections for the last few years have actually come in worse than what the County started with, so more things had to be cut when the actual came in. Mr. Rooker added that the Board has no cushion in this budget to speak of.

Mr. Snow said that he wouldn't agree there is no cushion.

Ms. Mallek stated that compared to other communities, there is no cushion.

Mr. Tucker said that there is about \$800,000 that will be put back into contingency, to be used if there are further reductions at the state level; and the Board will have a couple hundred thousand.

Mr. Rooker commented that he hopes Mr. Snow is right, but there is not a big cushion in the budget to deal with contingencies.

Ms. Mallek said that once tax revenues rebound, a contingency fund needs to be created because the County cannot keep operating like this.

Mr. Boyd stated that not all revenue needs to be spent as was done in the early 2000s. He remembers that at one point there was a \$10.0 million surplus put into the CIP and all of it was spent.

Ms. Mallek said a lot of improvements were achieved with that money.

Mr. Rooker emphasized that it makes sense to move a surplus into capital, and not into operating. For a long time the County had a very high percentage of pay as you go. He added that one of the big increases in this budget this past year was debt service.

Mr. Boyd said this Board has had a standard of maintaining \$2.0 million reserve in the capital fund by changes made.

Mr. Rooker stated that there has always been a category for allocating some funds for capital, but now that is not being done.

Mr. Dorrier said that he doesn't see the public demanding it.

Mr. Rooker stated that they aren't out there picketing for transportation funding, but they want it. He added that there is no money now available to match any other funding sources that might become available. People expect elected officials to make prudent decisions about today and the future.

Ms. Mallek said many people, including business people, are complaining about the state of the County's infrastructure.

Mr. Davis said that he was just reminded by the Clerk that Board members were invited to the IMPACT meeting on March 22nd. If three or more Board members plan to attend and participate for purposes of County business, they may want to adjourn to that date. If you plan to just be in attendance, not assemble as a Board and take action, then it does not need to adjourn to the date.

Mr. Boyd responded that he is not sure what's expected of the Board as far as participation.

Mr. Rooker stated that the letter from IMPACT indicates their request for level funding of Bright Stars and the Family Support program. He emphasized that in the current budget, the Bright Stars funding is being reduced and Family Support is not being fully funded. Mr. Rooker explained that the budget this Board is adopting does not provide full funding, and to say otherwise in front of IMPACT would be disingenuous.

Mr. Boyd said that the budget hasn't been approved yet.

Mr. Davis noted that if more than three Board members assemble in any way at that meeting and discuss the budget, it will be a public meeting, and the Board needs to adjourn to that time and place. In addition, minutes of the meeting will need to be taken.

Ms. Mallek said she does not know if she can make the meeting.

Mr. Boyd said he does not know.

Mr. Thomas said he will not be attending the meeting.

Mr. Rooker noted that at this meeting there is no discussion among Board members. People go on stage one by one and they are asked if they support the issue. The response is then "yes" or "no", and the individual is then given the opportunity to speak for two minutes. He added that there is no discussion among Board members. There are also other speakers talking about things of interest to them.

Mr. Davis said it may be a close call but generally these situations are viewed strictly. If there is assemblage of a public body in a location with the purpose of discussing public business it is a meeting under the Freedom of Information Act.

Mr. Boyd suggested that if four people attend, when Ms. Mallek rises to speak, she calls the Board to order and then adjourn the meeting to March 31st.

Mr. Snow said he plans to attend, but if four Board members show up, then he will back out. He added that all of them are going to say the same thing.

Mr. Davis stated that if that is the case, the Clerk will post a notice that there will be an assemblage of three Board members at that meeting, which should cover the FOI requirement of notice.

Agenda Item No. 3. Adjourn.

At 11:45 a.m., Ms. Mallek **moved** that the Board adjourn until 5:00 p.m. on March 31, 2010. Mr. Snow **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

NAYS: None.

Mr. Tucker thanked the Board members for all their hard work on this very difficult budget.

Board members thanked Mr. Tucker for all his work.

There being no further business, the meeting was adjourned.

Chairman

Approved by Board
Date: 03/02/2011 Initials: EWJ