

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 31, 2010, at 5:00 p.m., Lane Auditorium, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from March 17, 2010.

PRESENT: Mr. Kenneth C. Boyd, Mr. Lindsay G. Dorrier, Jr., Ms. Ann 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, Clerk, Ella W. Jordan, Deputy Clerk, Mr. Tom Foley

Agenda Item No. 1. The meeting was called to order at 5:00 p.m., by the Chairman, Ms. Mallek.

Agenda Item No. 2. Closed Meeting.

At 5:00 p.m., Mr. Thomas **moved** that the Board go into closed meeting pursuant to Section 2.2-3.711(A) of the Code of Virginia under Subsection (1) to consider an administrative appointment. Mr. Boyd **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. At 5:21 p.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 meeting 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.
NAYES: None

Agenda Item No. 4. Pledge of Allegiance.
Agenda Item No. 5. Moment of Silence.

Agenda Item No. 6. **PUBLIC HEARING** to receive comments on Proposed Operating and Capital Budgets for FY 2010/2011 and the Proposed FY 2010 Tax Rates. (*Advertised in the Daily Progress on March 23, 2010.*)

Mr. Tucker said he appreciates this opportunity to present the Board of Supervisors the proposed operating and capital budget for FY 11. He stated he would like to start by commending County citizens for expressing their passionate and deeply held beliefs within the boundaries of civil and dignified community discussion throughout this budget process.

He said that they recognize that balancing this budget has required very difficult choices that will change the nature of County service levels and funding support in fundamental ways, and while the Board has been able to restore funding to some community agencies, there are still programs and services that will be impacted significantly due to the County's dramatically reduced revenues resulting from the economic downturn throughout this nation.

Mr. Tucker said the County believes this budget confronts the difficult realities of meaningfully reducing and reshaping the organization, and positions county government to be sustained within declining revenues over the long term. This repositioning, which they anticipate will continue in the coming year, requires establishing reasonable expectations for local government services that recognize reduced funding and staffing levels. Strategic investment is also critical going forward in determining how to build back core services and capital needs as additional revenues become available in the future. Mr. Tucker said they appreciate the public's presence here this evening and will open up for public comments at the conclusion of his presentation.

Mr. Tucker started by reviewing the County's multi-year response to significantly declining revenues and substantial mandated increases like revenue sharing with the City of Charlottesville and debt service for capital needs. He explained this proactive approach has allowed the County to achieve the kind of expenditure reductions required in these challenging times, with meaningful savings and efficiencies being realized each year since the beginning of the downturn three years ago. He stated that since the fall and winter of 2007, the County has implemented aggressive expenditure reductions including operational savings and efficiencies, position reductions and staff reallocations to make sure the finances are stable and the organization is responding to changing workload levels. As he has stated several times during this budget process, the County has focused on repositioning itself as a local government that is sustainable over time in the new economic reality it faces.

Mr. Tucker said they have achieved funding reductions and reduced and repositioned staff in every local government functional area between FY 09 and FY 11 for a total of 75 positions eliminated, frozen or offset by other revenues among other cost savings. The most significant reductions have

occurred in Community Development and Fiscal/Management Services functional areas. In Community Development for example, 33 positions have been impacted, 11.4% decrease in funding in that area; and in Fiscal/Management Services, 24 positions have been impacted and a reduction in funding of 5.6%. He added that although they have tried to protect core service areas to the greatest extent possible, some reductions have been made there as well. Human Services, for example, have been impacted with seven positions; and Public Safety, including judicial, 10 positions were impacted, including five frozen police officer positions.

Mr. Tucker said that in light of these funding decreases and staff reductions and repositioning, the community is experiencing some very real service impacts. He said that he would like to share a few of the most significant impacts with the public: they have closed the Visitor Assistance Centers at both County Office Buildings, here and at 5th Street; closed the Finance drive-thru window except for two months each year; significantly reduced community engagement and public participation efforts; delayed response to non-health and safety-related zoning violations; discontinued County follow-up on environmental concerns; limited the County's stream buffer program to only enforcement; discontinued neighborhood traffic calming work; eliminated dedicated ongoing funding for ACE and new funding for master plan implementation; discontinued the community policing function; delayed progress in improving public safety response times; reduced financial, credit and fair housing counseling services; eliminated first-time homebuyer down payment assistance programs; and suspended the greenway acquisition program.

Mr. Tucker said he would now focus on the FY 11 proposed budget for next year. The total proposed operating and capital budget is \$292.2 million after State revenue changes for both schools and local government, and various expenditure adjustments. This figure reflects a total decrease of \$11.9 million, or 3.9%, from FY 10, which is the current fiscal year and adopted budget. It also reflects a total decrease of \$41.5 million, or 12.4%, from the FY 09 adopted budget of two years ago.

Mr. Tucker then presented a pie chart showing the major areas of expenditure for the total County budget. The School Division will receive approximately 61%, General Government would receive approximately 33%, and 6% goes to the City Revenue Sharing Program. Mr. Tucker stated the chart includes all federal, state and local revenue sources that go towards supporting all of the expenditures. He added that there has been a lot of discussion about School revenues and expenditures, and there was some uncertainty about some of the State funding for schools at the time of his recommended budget. He added that he would now provide an update on the school funding situation for next fiscal year.

Mr. Tucker said the original shortfall in the School Board's budget request was approximately \$8.8 million. Since that time, there have been adjustments in the State's funding to the School Division. The hold harmless decision on the composite index resulted in an additional \$5.2 million in revenue; there was an additional State revenue adjustment of \$1.2 million, and there was also a savings realized in VRS contributions that totals about \$4.5 million. He added, when you take the original shortfall and apply the new total State adjustments to that figure, you end up with approximately \$2.1 million in positive revenues for next fiscal year. Mr. Tucker said they recognize that the School Division is concerned about the anticipated one time nature of some of these State revenue adjustments and they would prefer not to commit these funds to ongoing expenses, so they are proposing to use \$2.6 million of those funds for one time capital purchases. When that amount is deducted from the positive revenue total of the \$2.1 million, it creates a shortfall for the FY11 budget year of approximately \$464,000. Mr. Tucker said that staff heard in the last several days from the School Board a desire to replace the funding for two School principals back into their budget request, which would bring their shortfall to approximately \$700,000. He added that if you take a look at State funding sources for FY12, which the School Board is concerned about, you will see that the composite index hold harmless revenue is going to be basically reduced from \$5.2 million to about \$2.6 million, plus VRS is going to start increasing again to about \$840,000, which results in a total of about \$3.4 million that will be impacted in FY12.

Mr. Tucker said there are some differences in General Fund revenues between the recommended budget presented in February and this proposed budget. First, the State budget approved recently by the General Assembly provides for less reduction in some areas of State funds than Governor Kaine's proposed budget, which was used as the basis for the budget the County Executive presented in February. Mr. Tucker added those areas primarily include funding for Constitutional Officers and for the Finance Department, and come to a total of \$350,000 in additional State revenues beyond what was originally anticipated. Because the Board restored funding for the Scottsville Community Center, they will see a small increase in revenue from that restoration. Family Support transfer from the Schools of about \$189,000 reflects funding for three Family Support positions who work in partnership with the Bright Stars pre-K program to assist families and students in achieving academic success. He added this amount, which is the School's share, reflects approximately 19% of the total cost of the program; local government currently funds about 45% and the rest is funded by grants. In terms of the Bright Stars Program, Mr. Tucker said the State is restoring the program to a full 12-month program instead of just the 11-month that they had originally been under the impression they would have to go to. He added the total revenue increases amount to about \$541,120.

Mr. Tucker said during their work sessions, the Board, at their discretion, chose to replace funding for some community agencies which created the following changes in General Fund expenditures: Emergency Housing Repair, the Board put \$10,000 back into the program; Jefferson-Madison Regional Library, a little over \$158,000 was added; Family Support workers - \$188,795, Jefferson Area Board for Aging - \$14,024; and the Scottsville Community Center - \$36,337. There is a total expenditure increase of about \$437,503. Mr. Tucker added that the difference between the adjusted revenues and the adjusted expenditures is about \$103,000, which is being added to the Board's reserve to provide funding for some unanticipated emergency needs next year.

In summary, Mr. Tucker said he would like to reemphasize some key elements of the recommended budget. Staff followed the Board's direction in bringing forward a budget balanced on a 74.2-cent tax rate, making \$11.9 million in reductions from last year to stay within available revenues. At this tax rate, the average taxpayer will see a reduction in their tax bill compared to last year. Staff has been proactive in identifying savings and responsive in repositioning the organization, with the result that local government staffing is at FY 02 per-capita levels. This budget proposes an additional 20 positions to be eliminated, frozen, or offset for a total of 75 positions or 11% of our workforce. He added that three Family Support positions originally not funded are funded by the School transfer funds in this proposed budget that was talked about earlier.

Mr. Tucker said they followed budget-reduction principles by protecting core services to the greatest extent possible. As an example the largest departmental reductions from FY 09 through FY 11 occur through efficiencies and restructuring in our Fiscal/Management Services area and recognition of decreased workload in the Community Development area. He added this budget reduces the Capital Improvements Program by \$106.6 million, or 64% over the next five years. Mr. Tucker said they have continued the County's commitment to local funding for schools; in this proposed budget, .65 cents of every local tax dollar goes to support School operations and debt service. He added the Board's reserve has been increased to \$210,372 to provide a small amount of funding for unanticipated emergency expenditures for next year. Finally, he added this budget restores funding to some community agencies as directed by the Board of Supervisors.

Mr. Tucker explained that the Board is scheduled to adopt the FY11 Budget, and set the tax rate on April 7th. He then turned the meeting over to the Board Chair to proceed with the public hearing.

Ms. Mallek then explained the rules and operating procedures for the public hearing. She stated that each presentation from attendees should be limited to no more than two minutes with the Board's goal being to listen fully to what each speaker has to say.

Mr. Davis clarified that this is a combined public hearing for both the budget and the tax rate.

At this time the Chair opened the public hearing.

Mr. Dave Oberg said he is a resident of Crozet. He said that the meeting a few weeks ago was estimated to have over 700 attendees with parents, students, teachers, and today the room is about half-empty. Mr. Oberg stated that he is disappointed and holds the Board responsible for it. Mr. Oberg stated that the Board's decision not to increase the tax rate and not fund the schools has taught the people who were so excited about participating that their voice doesn't matter. He said that when he tried to get people from his PTO to come to this meeting, they were reluctant because they felt their opinions didn't matter. He hopes that does not become the policy of this Board.

Mr. Jim Morris said he is a resident of the Jack Jouett District. He said that he asked the schools to provide him the per-pupil costs. He noted that from 2000-2009, factoring in inflation, the per-pupil cost increased by 75%. He said that if most of those things are government mandates, then Albemarle should just say no. He added that for over 100 years the County educated children without any federal assistance. The County should reject assistance when it comes with strings attached. Mr. Morris said that the figure doesn't even include capital costs which is disturbing because that cost can range anywhere from 23% to 90% in under reported costs per pupil.

Ms. Betty Sevachko, a 24 year resident of the County, thanked the Board members who did not raise the tax rate, thus resulting in smaller tax bills. These are hard times for most residents and living within their budget, and taking care of their family, is the top priority. She said that this is a good first step, but there is much more to do in the area of spending. Ms. Sevachko stated that she worked 30 years for IBM, 10 years with a private school in Charlottesville, and five years with a state agency. She emphasized that the private sector encourages employees to find ways to do their jobs better and save money, but she does not see that focus in the government sector. Ms. Sevachko said that more money is not always the best way to solve problems, and they need to understand needs versus wants. She stated that hard choices must be made now that will pay off big in the future with a more financially secure and prosperous Albemarle County. She stated they need to think outside of the tax box.

Ms. Zoe Carroll said that she is a Senior at Albemarle County High School and her dad is a P.E. Teacher at Hollymead Elementary School. She has grown up knowing that education is a big deal. Ms. Carroll stated that it concerns her that classes graduating after hers may not have the same level of quality in education that she has had. She said that the benefits to raising the tax rate are great schools, libraries, roads, and other services guaranteed for future generations. Ms. Carroll said that providing a great education now will help ensure that many baby-boomers who are working now will be taken care of when they are older. She stated that raising taxes is really just investing in education and the future. People need education because they are always dealing with problems that need to be solved. Supporting education is not a partisan issue. Education is the start of ending wars, ending poverty, finding ways out of economic downturns, and finding answers to climate change crisis.

Mr. Bill Goldeen, parent of a County student, said that a large portion of constituents at the last meeting voiced heartfelt concerns about the immediate and long-term detriment to the education system and County without adequate money to allow the system to live up to its reputation. The Board ignored their request to raise property taxes to at least maintain current funding. In fact, the Board maintained the status quo which leaves them at a deficit for this critical and important budget year. He also expressed disappointment in Board members' campaign promises to analyze the current spending and find ways to decrease spending as a means of saving money. He has not seen any evidence that the Board looked at

the line-item budget of the Schools or General Government. All he heard about was parody which they heard in the public. Constituents deserve more. The Board's job is to maintain the commons for its constituents – police, schools, roads, water, sewer, etc. He said that eliminating the CIP to justify the tax decrease just pushes the burden onto the next generation, similar to the poor decisions made at the federal level that have led to collapsing bridges, failing roads, and an overloaded electric delivery system. Since this tax decision is irreversible, the Board needs to find other means for righting this wrong and finding the needed funding to maintain a high level of education and quality of life. Mr. Goldeen emphasized that the tax base will only go down over time if Albemarle doesn't invest in it now and it becomes a less than desirable place to live. The reputation of the School system is a factor when a business or family chooses the location. At this time the only way a locality can raise funds is as the state tells them so the Board needs to educate the constituents as to how it will raise money. The Board needs to tell the citizens to advocate at the State level to give them new and better revenue funding sources.

Ms. Pat Napoleon said that many local residents continue to express serious concern relating to the former Board's vote to funnel taxpayer money for a super-sized YMCA in McIntire Park. She thinks that decision was ill-advised and fiscally irresponsible. She sees a moral conflict in using parkland for this purpose. This Board is not acting on its message for environmental stewardship by promoting plunder of parkland. She has heard loudly and clearly that the education system needs money. She said the money given to the YMCA is badly needed in the County. She thanked Mr. Thomas, Mr. Boyd, and Mr. Snow for challenging an extremely poor judgment. She asked the Board to work to regain this funding for County citizens.

Mr. John Frazee said that he is acting Co-President of Interfaith Ministries. He stated that he co-chaired a March 22nd meeting of IMPACT, at which 1600 members came together and 33 congregations of all faiths. They pushed for and received significant commitments from the City and County law enforcement in the areas of interpretive services to help community members with limited English proficiency. He also said that they received commitment from the School Board Chairman to target 90% as the proportion of low-income children to be enrolled in publicly-funded pre-K programs in the County, to report and publish achievement gap data annually for low-income children at kindergarten and 3rd grade levels, and to propose to the School Board that the School Division begin collaborative discussions with the City on phased expansion of pre-K services for these children. Mr. Frazee thanked the Board for fully funding Bright Stars, and encouraged them to work with the schools and Social Services on the services he mentioned.

Ms. Charlotte Hogue thanked the Board for not raising the tax rate. She emphasized that there are many areas of spending that need to be scrutinized, such as County employee benefit packages. The School administration has only one budget idea and that is more and more money each year. Ms. Hogue stated that if parents want their children to participate in activities, they should pay for them. Parents need to be responsible for taking care of their children and not expect the taxpayers to do so. She also said that social welfare programs provide no incentives for people to help themselves, and four and five generations on welfare is not right. Other areas to look at include fees for Library services and taxes from tourists for special events. She asked the Board to look closely at any program or service before it approves it to see if it is cost effective and serves the needs of all County residents. She asked the Board to review existing budget expenditures and approve only if it is a need, not a want. She asked the Board to look at what can be saved for the taxpayer, not how much can be spent.

Ms. Margie Shepherd, a County resident and member of the Albemarle Education Association, said that most people in the County share in the exasperation felt when the Board asked for public input and then ignored it in their vote to lower taxes and reduce support for education. She said that this approach is penny wise and pound foolish. The Board will have to reserve money it did not for VRS, deal with State's adjustment to the ability to pay formula, pay catch-up with capital projects that will surely cost more in the future. Ms. Shepherd stated that Boulder County, Colorado, which is demographically similar to Albemarle, has a tax rate of \$1.39 per \$100. She also criticized the Board for portraying the school's shortfall as only \$400,000 instead of the \$6.0+ million short from last year. In addition, local government took two cents of state revenue out of the budget and then put it back on their side which made schools down almost 4.5% but local government down only .33%. Just a few years ago local government and the schools were working together with a vision of attaining a world class system but instead the Board voted to lower taxes effectively sabotaging those efforts. She hopes that next year they can have reasonable and open discussions about the kind of County they want before setting the tax rate. She will be teaching 166 students next year but she will make time for those discussions.

Mr. Ron Price thanked Board members for all of the hours they have put into this budget process. He stated that the two-year financial picture looks even worse for the coming year, noting that the State has essentially plugged the gap for next year with one time revenues. Mr. Price said that it took some of the immediate pressure off, but the hold harmless payments will dry up. The School Division is trying to reposition its organization to create a sustainable future. He stated that plugging funding gaps with one-year money is not a sustainable strategy; it is one that postpones hard work that must be done by the School Board and Supervisors to align recurring revenues with recurring expenses. He added it is making a bet that things will just get better next year. The School Board does not believe that using short term revenues from the State to fund long term recurring expenses including small schools represents sound financial management. Mr. Price emphasized that the School Board remains very concerned about this short-term strategy and the future of the schools in the County as a result of three years of reductions in revenues, and increases in enrollment and operating costs.

Ms. Diantha McKeel said they come to the Board as School Board members knowing that revenues are declining, knowing that the Board has more to think about than schools and knowing that citizens are feeling the impact of the recession and grateful for tax relief. The School Board took fiscal

responsibility for this economic reality. The School Board met without question the reduction of \$4.0 million in local funds to the School Division as the result of a flat tax rate, as well as the first round of cuts in Governor Kaine's budget, on top of millions in additional cuts over the last three year. She stated that the school Board does not just sit back and ask for more money. They made the hard choices to reduce the size and scope of the School Division; some extremely unpopular reductions in the community. Ms. McKeel emphasized that even after making adjustments for State cuts, the Schools are left with a recurring funding gap of \$464,000, which is short of meeting what is needed to meet a sustainable funding request. That meant more than \$6.0 million in cuts in the face of higher enrollment, demand for services, and increased operational costs. She said that the Board of Supervisors found \$159,000 to fully fund the Jefferson-Madison Regional Library, and \$275,000 to join VML and support JABA. Ms. McKeel said when something is a priority to you, the Board of Supervisors, you have been able to find the money within the total operating budget at the current tax rate. She asked the Board to acknowledge the deep cuts the Schools have made and find the money in their budget to cover their recurring funding gap.

Mr. Robert Hogue, a resident of the Samuel Miller District, said that unemployment is up in Virginia and the state has run out of money to pay unemployment benefits. He emphasized that benefits for government employees are not sustainable and need to be cut, especially for new employees. Mr. Hogue stated that people should have to pay for library books, parking at recreational sites, and lost pet recovery. Music and arts should be after school activities with parents paying the costs. He said that parents should donate to the schools as they get the lion's share of the County budget. Parents should be responsible for their children's diet and exercise. He thanked the Board for not raising the tax rate.

Mr. Shannon Wilder, President of the Lane-Babe Ruth Baseball League, said that the Lane League provides organized, recreational baseball for area youth between the ages of 13-19, and has been doing so for over 50 years. Mr. Wilder stated that they play ball in the field by the recycling center. The County has been paying and providing for electrical service for their field lights since the League raised the money to install the lights in the early 1990s. He said they are an all volunteer organization and are good stewards of the County's land. The dugouts, concession stand, and batting cage have been erected and provided through donations and volunteer efforts, and all these increases the value of the field. He said that the League provides all of the seed and fertilizer for the maintenance of the field. They will receive approximately 325 player registrations this year of which about 85% are County residents. They have been informed by the Parks and Rec Department that the County will stop funding \$5,300 annually for field lights at the end of this year. They encourage support of all youth organizations, but not at their expense. Last year they operated on a deficit budget mainly due to \$4,500 in major repairs to the field lighting system which they paid. This year they anticipated a little less than \$1,000 surplus if all fundraising goals were reached, however due to the economic climate it looks like their goal will not be met. They already do not have enough teach sponsors and had major plumbing repairs that will result in a bill of over \$4,000. He stated that they will be operating in a deficit again this year. Their only alternative is to raise registration fees by about 20% which will make it impossible for many of the youth to play baseball. Mr. Wilder said the League is just not in a position to absorb any additional cost. He asked the Board to reinstate funds to light their playing field.

Mr. Bob Rash, a resident of the White Hall area, said on behalf of residents of that area, he thanked the Board for being fiscally responsible to the residents of Albemarle County.

Ms. Mary Ann Doucette, a resident of White Hall, thanked the Board for holding the line on taxes. Ms. Doucette said that she is a member of the Tea Party movement, which stands up against additional taxes. Retired people salaries are fixed; they do not get increases annually like government workers. She emphasized that it is important that the County practice zero based budgeting from this point forward, because if the mentality continues that taxes need to be raised, people will be forced to move out of the County. She said it is important to remember that there are a lot of people in the County who are suffering financially.

Mr. Sachin Doshi, a High School student, said the last time he appeared before the Board he asked it to justify the cuts they were making, but he didn't receive a response. He said that he has been trying to become active in making changes in his school before he leaves for college, because he has seen changes that could be made. He said that more funds should be diverted from the existing tax rate to the Schools and or the Supervisors should intervene and actively help the School Board find more funds. Mr. Doshi stated that he doesn't think the Board is doing enough to reduce the Revenue Sharing amount it sends to the City. He added that \$90 average isn't that big of a savings for taxpayers. He then encouraged Board members to become more active in cutting unnecessary spending.

Mr. Claude Monger said that it's encouraging to see new Board members and to see that taxes will not be raised. Every year he appears before the Board and asks them to not raise his taxes and to spend the money wisely. He said that he lost his job last year through downsizing and is now on Social Security, and now it takes two monthly Social Security checks to pay his property taxes. In 1969 he built his house for \$13,500. Mr. Monger said that people in the County are struggling to make ends meet and are cutting expenses every way possible, so government should do the same. He added that he's glad other people are willing to give more, and that's great if they choose to do so. Mr. Monger said that he also would like the Revenue Sharing Agreement to be revisited, as the City benefits tremendously from this "sugar daddy" every year. He does not like the idea of giving his tax money to the City so they can live "high on the hog" and he has to suffer the consequences.

Mr. David Frazier said that he is a property owner and small business owner as well as a lifelong resident of the County. His company employs four people, one of which is a property owner in the County. He said that all of his personal and business taxes combined contribute over \$10,000 annually to the County, and this is borderline oppressive. Mr. Frazier stated that there are many other business owners

who feel the same way, but don't wish to come forward for fear it will impact their businesses. He stated there is no God-given right to a job or an education. He added that Mr. Tucker and his staff could do a better job of managing the County's resources by starting with administrative waste and moving onto employee performance, if necessary. Mr. Frazier emphasized that education is a privilege and a family responsibility that needs to be addressed by those using the service, and instead of handing children over to the state and expecting others to pay for them. He added more money does not equal higher quality education. He encouraged all areas of County government and schools find 10% in savings in their budgets and then set the tax rate accordingly. As a small business owner, he knows that can be done.

Mr. Tony Townsend said he is President of the Jefferson Madison Regional Library Board of Trustees. The JMRL Board thanks the Supervisors for returning the Library to level funding for the coming fiscal year. He emphasized that cutting vital library services would send the wrong message to the community, and he hopes to work more closely with the Board in the coming years to develop future budgets and library improvements.

Mr. Peter Wurzer said that a recession is not the time to raise taxes, but is a time to examine spending and reassess real needs. Mr. Wurzer said that these efforts will result in a stronger, leaner, and more effective government that will respond with vigor when the economy improves. He stated that more needs to be done to ensure that every dollar is working to provide the needed services in the County. While he hopes the economy recovers and eases the difficult decisions they face, he is also concerned that many challenges will remain. Mr. Wurzer commented that there is an uncertain future as it relates to VRS liabilities. Currently the County contributes between 9-15% of employee salaries to this system. He said that there needs to be some cost-sharing with employees, as these costs will continue to grow. Mr. Wurzer also stated that quasi-governmental agencies, i.e., Jaunt, JABA, JMRL, need the same scrutiny that County government and schools are subject to. He added that capital expenditure investment cannot be postponed forever, and need to be funded through additional savings and even tax increases. Mr. Wurzer said the County does not need \$5.9 million fire stations, 23,000 sq. ft. libraries or school additions that result in excess capacity. He thanked the Board for their service during this very difficult time.

Ms. Connie Stevens, a resident of the Rio District, said she worked very hard for Mr. Thomas and thanked the Board for making difficult choices in exercising fiscal restraint and responsibility. She stated that we all need to tighten our belts in these tough economic times, as individuals, families, businesses, schools, and government. Ms. Stevens said she moved here from Maryland five years ago to escape the onerous tax burden there. She has two teenagers in the County school system and she thanked the Board for looking out for them. She applauded the Supervisors for looking out for residents by lowering taxes.

Mr. Jason Buyaki, a resident of Stony Point, thanked the Board for holding the line on taxes and focusing on efficiency. He asked that individuals who can identify savings need to come forward and present those savings. Mr. Buyaki said that we need to continue to focus on our needs, not our wants.

Mr. Gregory Quinn said that those who supported the President's Healthcare Bill are robbing Peter to pay Paul, as it will drive up costs and cause those in the public system to be put on Medicaid, which can't be sustained. There is going to be more demand for local taxpayers to fill the gap. He read a statement saying that we do not have a right to housing, food, and healthcare provided by the federal government; these are our personal responsibilities. The more we look to government to provide these needs, the less there will be for education. Mr. Quinn said that everyone should work harder to provide for their own needs so more money can go to education without taxes doubling over the next decade.

Mr. Doug Adamson said he is the parent of two teenagers and a taxpayer in the County. He said that Santa Claus had lived in the School Board office here, but was chased out of town last fall and is now squatting in a Congressman's office in Washington. He thanked the Board members who voted to hold the line on taxes. For every spending need that comes before the Board you should ask "is it a need or is it a want". Employees should be challenged to come up with savings.

Mr. Ted Barger said he has two sons at Murray Elementary School. His comments relate to restoration of principals at all elementary schools in the County. He stated that he believes leadership during critical times is essential. Mr. Barger recounted the story of 82-year-old Lt. Col. Paul Gorman, who served as a Battalion Commander in Vietnam with The Big Red One Division. He said that Lt. Col. assumed the leadership after several other key officers were killed, and continued to direct close air strikes until the Viet Cong force withdrew. Mr. Barger stated that Lt. Col. Gorman was later presented with the Distinguished Service Cross, the second-highest military decoration in service. Combat cannot be compared to school management, but during times of school transition, stress and budget cuts, effective, cohesive leadership at the school level will be essential to maintain moral and standards which these fine schools have obtained. He said that fractured leadership can be dangerous, and encouraged the Board to restore full-time principals to each of the County schools.

Mr. Art Stow said that the four principals of the County's smallest schools are here this evening: Nancy Teel, Principal at Scottsville; Alison Dwier-Selden, Principal at Yancey; Mark Green, Principal at Murray; and himself, Principal at Red Hill. Mr. Stow stated that the School Board's funding request includes a reduction and proposition to share principals at two schools, and the single leader would have to split time between them. He said that the Superintendent has recommended the positions be restored, and they are here tonight to support that request. Mr. Stow emphasized that they are not here tonight to ask the Board to preserve their jobs, but to preserve the schools themselves. He noted that these smaller schools often have fewer staff and embrace their roles of wearing many hats. Mr. Stow stated that there are always unexpected issues that arise, and instruction or individual needs will suffer without proper

coverage. He asked that the necessary funds be provided to allow every County school to have a full time principal to meet the full time needs of all the students.

Mr. Burton Glass, an Ivy resident and father of three children in the school system, said that he also represents a new group called Property Owners for Great Schools, which was formed this year and now has about 300 members. He said that the group's creation was inspired by a School Board meeting he had attended where organizations were vying for funding, but there was no discussion of taxes. Many people are willing to raise taxes to defend education for great schools. Mr. Glass emphasized that the County has a high capacity for taxes compared to other communities, and said that public education is very close to a right. He stated that under funding education will ultimately be harmful to home sales and unattractive to businesses that may relocate here. He stated he doesn't look forward to the debate where you pit firefighters versus police, libraries versus schools, all worthy programs. He hopes that next year the Board will enter the debate with a more open mind.

Mr. Peter Loach, on behalf of the Piedmont Housing Alliance, thanked the Board for their support of affordable housing but expressing disappointment that the County is proposing to cut its support by 66%. He stated that the fiscal impact of this is serious, but PHA is willing to do its part during these difficult times. Mr. Loach said that the organization's greater concern is whether the County is making a permanent move away from its support of affordable housing, and particularly the proffer system. He emphasized that there is a very strong correlation between housing and economic development, between housing and jobs, and between housing and County revenues. Mr. Loach stated that over the last few years, PHA helped 62 County homebuyers with over \$1.58 million in down payment assistance loans that leveraged \$9.0 million from outside the region. He said that they also brought in a project in Crozet worth \$8.0 million, which is \$4.5 million in construction and over 100 jobs, all funding from outside the County. Mr. Loach said that PHA is working closely with 197 County residents to counsel them on default and foreclosure issues, and has helped 27 residents over the last couple years avoid foreclosure, which saved about \$7.0 million in home values from entering the foreclosure market, which affects the neighborhood and brings down property values and County revenues.

Mr. Keith Drake, Chairman of the Albemarle Truth in Taxation Alliance, said that real estate taxes have doubled since the year 2000, not because of increased assessments but because the Board has raised tax rate annually. Mr. Drake stated that in 2007, the Board raised the taxes 20%, in 2008, they were raised 4.5%, and last year the taxes were kept flat, with the rate actually cut this year by a little more than 3%. He thanked the Board for the break, but encouraged them to continue this momentum and continue to look at the spending side of the equation. He concluded by stating that there is a growing number of County taxpayers who are becoming increasingly aware of how their tax monies are being spent. He thanked the Board members for their time, attention and service.

Ms. Valerie L'Herrou, a resident of North Garden and Chairs the Albemarle County Housing Committee – which was set up by the Board to give them guidance on housing issues, particularly affordable housing issues. Ms. L'Herrou stated that the Committee sent a memo to the Board for its March 15th meeting, but she only heard from Mr. Rooker, which gives the Committee great concern. She added that the Committee sort of feels as if its work is being ignored. Ms. L'Herrou said that some of those concerns include the proffer system, which goes to support affordable housing initiatives. By not funding affordable housing initiatives they are letting down developers who have in good faith submitted proffers to the County. She stated that this seems to be a penny wise, pound foolish move for the Board because of the reasons Mr. Loach stated previously. This brings in a lot of outside money into the County. Ms. L'Herrou also said that not supporting housing assistance means that those people won't be able to buy homes where they work, and will have to commute from neighboring counties. She stated that Albemarle's tax rate is low when compared to other communities. She asked the Board to consider changing the tax rate to be in line with other counties.

Ms. Mary Mays, a 5th grade teacher at Red Hill Elementary School and County taxpayer, said that she and her husband just bought their first home in the County because they want their future children to have the same quality of education as the children at Red Hill. She read statements from her students expressing concerns about increased classed sizes, shared principals, and cuts for Destination Imagination. She said that she does not understand why when over 100 people pleaded with the Board to raise their taxes, the Board did not listen. Ms. Mays stated that the County is not treating its youngest citizens as a priority, and doesn't understand how the Board ignored the pleas of parents, students, and the community at large. She stated that they are asking the Board to keep our schools strong and find the money to fund them.

Ms. Amy Vigilante said she is a parent of three young children, with two at Murray Elementary. She said she is worried about her children's safety and security while at schools, especially since Murray will be without a full-time principal. She said that the positions are being cut because the two Boards can't agree or cooperate to get the needed funded. She stated their children's safety is more important than the line that seems to be drawn in the sand. She asked that the Board find the funds for the principals.

Ms. Hannah Pickens, a 5th grader at Scottsville Elementary, said she is concerned about Scottsville Elementary School sharing its principal with Yancey Elementary School. She said that she has attended three different elementary schools, and one of her best teachers has been that principal, Mrs. Teel. Miss Pickens stated that Mrs. Teel is a positive role model, knows every student in the school by name, and will be less available to students if she must split her time. If Mrs. Teel went back and forth between the two schools, when students get into trouble, to whom would they go to? Other teachers have classes to teach and do not have time to discipline. Without Mrs. Teel, the students would have to take their problems to someone else who might not be as understanding. She urged the Board to look at not what would save more money, but what is best for the students.

Ms. Clara Belle Wheeler thanked the Board for holding the tax rates stable for this year. Ms. Wheeler said that in times of financial instability, everyone must differentiate between needs and wants. She stated that personnel in Police and Sheriff's Departments are necessary for safety, and firefighters, both paid and volunteer are needed to protect homes and business, schoolteachers are needed to educate youth, but a 75,000 square foot brick building to house an indoor swimming pool and gymnasium in a City park is not a necessity. She asked Mr. Dorrier how many Scottsville residents would drive to McIntire Park to use the facility, as City records show that only 12 non-City residents swam in City pools last year, and the Crowe Pool could be repaired for \$238,000, which is a lot less than the \$3.5 million cost for the YMCA. She asked, please do not be coerced, bullied by legal threats to spend \$3,030,000 to build a YMCA. She asked the Board to think about wants vs. needs.

Ms. Peggy Scott, a resident of the Scottsville District, asked the Board to relinquish the money necessary for the reoccurring costs of the County's schools to continue with the needs of the students as well as the necessary principals. She stated that asking principals to cover two schools implies that the children there are lesser valued. She said those principals are vital to the safety of our children; without leadership and organization, chaos is what will happen. Students recognize principal-ships; they recognize that when there's no leader, they can do certain things. They are not asking for undeserved or unearned money. She asked why it always is "either" "or", and it always seems to be more so for the southern side of the County.

Mr. Steven Peters thanked the Board for holding the tax rate down. Mr. Peters stated that he is tired of people complaining and whining when they don't get what they want from the Board. Mr. Peters said that people shouldn't ask the Board of Supervisors to give them his money unless they are willing to go door to door and look people in the eye and say it is for an important purpose.

Ms. Jane Kulow, said she has children in the County school system, is a taxpayer and President of the Parent Council for Albemarle County Schools. Ms. Kulow said that she is strongly concerned about ongoing, recurring funding for the schools and asked who would make that commitment. She stated that last summer some Board members spoke out in support of the southern feeder schools and keeping them open even with a higher per pupil cost. Ms. Kulow commented that when it comes to supporting those educational costs, the support is not there. Ms. Kulow stated that at the Board's work session on the School's budget, the IDEA Program was discussed, which promised funding at 40% of the cost, but is now funded at just 14%. She said that the School's cost of implementing NCLB assessments is \$200 per student, higher than the funding allowed, and the VEA funding per student has gone from \$5,200 a year to \$4,500 in the past three years. Ms. Kulow stated that teaching jobs, 82% of the school budget, cannot be funded with stopgap, onetime chunks of money from the State, especially from the completely unsustainable source as underfunding the teachers' own pension. She asked the Board to allocate the funds the schools need.

Mr. George Beller, Vice-President of Piedmont Council of the Arts, said they exist to sustain the arts as an essential part of the high quality of life in this area. He thanked the County for its financial support and to stress how important that support is to fulfilling their mission. The funds they receive from the County account for approximately 15% of their annual budget. Mr. Beller said that the PCA is the designated arts agency for the City and County, and works to sustain the arts as part of the high quality of life in the area. He requested that the Board make only a 5% cut in the PCA budget this year, as the arts community here is a main attractor for visitors and residents. Mr. Beller stated that their online arts calendar lists over 500 arts events per month and their website lists a directory of hundreds of local artists with links to their own websites. He said that PCA coordinates workshops for artists and community members, such as free seminars presented by the Virginia Bar Association on navigating the legal processes for arts-related issues such as business formation, contracts, and copyright law. Mr. Beller stated that their "Creative Conversations" series brings arts organizations and community groups together to develop strategies for strengthening the arts in the region, attract new audiences, and make the area an arts destination. He mentioned the PCA's Rising Star awards celebration, where teachers select high school juniors and seniors for their outstanding talent and promise in the arts. Mr. Beller said that the Arts Access project aims to make cultural activities more accessible to low-income citizens. Stressing cultural tourism creates economic value, and when visitors spend a weekend here to attend cultural events, they book rooms in our hotels, dine in our restaurants, and shop in our stores. He added that growing arts environments also help attract good job candidates for employers like UVA. The PCA appreciates the Board's support.

Mr. Salvatore Giordano said that he is a teacher at Albemarle High School. He said that Thomas Hobbs wrote *The Leviathan* in the late 17th century, and talks about the state of nature before the development of civil society, where left to their own devices, men would constantly be struggling for their own individual needs, what he calls "the war of all against all". Mr. Giordano stated that modern people subscribe not to Hobbs' idea of an absolute ruler, but to John Locke's idea of *The Social Contract*, which was very influential on Thomas Jefferson in writing the Declaration of Independence, and on the founding fathers when writing the constitution. He explained that according to the terms of the social contract, individuals give up some of their freedom in order to partake in the benefits of being a part of society. Mr. Giordano said that those people who come forward with notions of only paying for what they use are catering to the basics of instincts in all of us - what's in it for ME? Education is one of those demands that citizens value as a society and everyone is responsible for it.

Ms. E.A. Jackson said that she is a teacher, coach, and resident in Albemarle County schools as well as the parent of a future student. Ms. Jackson said that the County vision, mission, and values statement is clearly posted on the County's website, and includes the following phrase: "the County's educational system will be world class." She asked how long this could possibly be sustained without the recurring operational funds that the School Board is requesting. Ms. Jackson said that the Center for

Survey Research conducted a survey in 2008, which indicate that the values of the majority of residents and citizens are clearly stated and laid out, as 99% of residents who participated in the survey stated that providing quality education for our school children was very important. She also stated that 99% of residents who were asked if they were willing to put their money where their mouth is said they were willing to commit those resources. Ms. Jackson said that there was a question as to whether residents would be willing to spend tax money to back this up, and 95.3% of respondents said they wanted their tax money to be spent on education. She asked that the Board provide to the School Board the recurring operational funds they requested.

Mr. Harold Pillar said that he isn't much of a taxpayer, but would like for Hatton Ferry to be included on tourism brochures. He said that Albemarle County can impose an occupational tax for people outside the County, which would increase their revenue. Mr. Pillar stated that the School Board had a budget that was fully funded, but came and asked for another \$700,000. He said that he cannot earn any more money to support world-class citizenship.

Ms. Linda McRaven thanked the Board for keeping the tax rate steady, noting that people pay more because of increased property assessments. The real issue is the need to cut spending. She emphasized that the Board needs to fund schools and the education process, as a top priority, but not administrative offices. Ms. McRaven pointed out that one-half of the staffs in the Community Development and Zoning Departments could be eliminated without anyone noticing. There is no need to spend any additional money on the library or the YMCA, in a part in the middle of the City. She then asked why the need for the television downstairs in the front of the building. The taxpayers want their money spent wisely.

Mr. Wayne Martin said that he is a taxpayer and parent of kids in elementary school. Mr. Martin said that he is profoundly saddened by the decision the Board is making, adding that it's just common sense to have a principal in every school. It worries him that they seem to be building a retirement community in this area. He asked Board members to think about how their children and grandchildren are being educated.

At 7:51 p.m., the Board took a brief recess and then reconvened at 8:05 p.m.

Mr. John Dean, a County resident, expressed thanks to the schools for providing such a good education for he and his wife's four kids. Mr. Dean said that his daughter, Sarah went to Murray High School, which taught her the concept of personal responsibility. He stated that this Board is the picture of fiscal irresponsibility because they are unwilling to provide the revenues the community needs. He stated this is a funding crisis, not a budget crisis. Mr. Dean said that the Board should take personal responsibility for laying off teachers and County workers.

Ms. Mary Margaret Frank said that she is a tax professor at Darden School of Business and a former tax consultant. Ms. Frank stated that she has never in her life asked for a tax increase, as she believes in efficient use of funds, but she disagrees with the Board's choice about the tax rate. She asked the Board tonight to begin thinking about 2012, as the County will then lose state funding as well as federal funding for schools that are finally showing improvement. Ms. Frank said that if the Supervisors think there are other places to be cut, they should get out of their chairs and go to the schools and find the fluff. She asked if they really thought that having four schools share two principals is a long term solution or a special program. She added that not raising tax rates is a short-term solution, and assuming property values will recover enough is not a solution. She asked the Board to begin now to think outside the 'cut education' box." Ms. Frank stated that she has offered suggestions as to how to help those in the community who are struggling. She asked the Board to change their mission statement and their 2007-2010 Strategic Plan, as it says their vision is for the County's educational system to be world class, and this is obviously not your priority.

Ms. Catherine Von Storch said that she is a 20-year County resident and the parent of a 3rd grader at Red Hill School. She previously sent Board members a letter indicating that she and her husband support paying more in taxes to fully fund the education budget. She stated even that level of funding for County schools is below the ideal to which the community aspires. It should not set the new standard; it is already less than zero. Ms. Von Storch stated that the Board should not lower the tax rate and should fully fund the school budget, emphasizing that the four most rural schools are going to lose their most consistent leadership, their principals. Principals are involved in every aspect of the school's operations and serves as the school's leader. The principal's most important job is to advocate for what is best for the children in the school which means knowing each and every student, the families and the communities. She added that the consistent face of that leader is critical to ensuring the success of the school, its students, and its teachers. Effective schools, excellent teaching, successful test scores, passionate learners, in a safe, happy environment require that kind of day-to-day consistent leadership. She asked the Board to support the County public schools and to fully fund the education budget shortfall.

The Chair called the following names whom were no longer present: Gilleane Stalfiet and Ted Greene.

Ms. Audrey Welborn thanked the Board for holding the tax rate down. She and her husband have lived in the County for 38 years in the same house. They have seen their tax rate skyrocket over the last 10 years, and in one four-year period their taxes increased 52%. She added that Albemarle County is an expensive place to live, and in other places there are restrictions about raising taxes no more than 2% per year. Ms. Welborn stated that her family has had to make major cutbacks, and there remains uncertainty about what future government cuts at all levels there will be. She thanked the Board for all they have done for the families in the County.

Mr. Stotts Rerio thanked the Board for keeping the Scottsville Library and community center open. He recently retired and is working part time. He needs a computer to use because he cannot get high-speed internet where he lives. Therefore, the Library in Scottsville is important to him because it allows him to work; that is not a want, but a need. He is also concerned about the budget for future years. He also asked why line item expenses over the years have not been displayed. It is only after he looks at expenses does he look at his budget.

Mr. Hal Hankins said that he teaches government at Albemarle County High School. He is a County homeowner, taxpayer, teacher and pastor. He asked the Board for assistance in helping to teach his students, who take his nonpartisan class their senior year. He wants the students to leave believing that government works, believing that what they say makes a difference, and believing that their vote counts. Mr. Hankins stated that he listened from his home as voter after voter, parents, students, business owners, and teachers come and ask the Board to raise their taxes. He said that the Board's answer to the last public hearing was that they don't listen to the people. Mr. Hankins stated that he hopes the Board members care about more than the next election. Mr. Hankins stated the Board does not have to raise taxes by setting a higher tax rate, but it should at least tell the people that you heard them.

Mr. Dave Frey stated that he and his family moved his business here from New York City because of the schools. He said that he is a product of the public school system, and it just seems odd to cut the principals. Mr. Frey stated that during the I-64 shooting incident, the principal at his children's school was awesome, locking the schools down, calling and emailing parents, etc. He added that he also thinks that good schools are good for the community. Where he previously lived, they had a lot of bad schools and that equaled crime, drugs, shooting; it was bad, bad for everything. There seems to be a lot of arguments about what government should provide. He added that the County has awesome roads. He also doesn't have a problem with a having a per child cost for educating his children. He does not understand why the Board would even consider cutting the principals. Mr. Frey concluded by stating that he appreciates the work the Board is doing.

Ms. Blair Davis said that she teaches in the County where her parents moved specifically for the school system. She expressed serious disappointment over the cuts made to schools, stating her concern that students will not have the support needed to learn successfully and learn with excellence. Ms. Davis stated that she is here to request that the Board finds a way to support the schools in order to keep principals and teachers, especially in the small schools. She said that the lack of funding has already created downsizing in classroom teachers, the same people who will be required to step in for the principal. Principals provide safety, equity, discipline and positive promotion of quality instruction. The principals are leaders of the schools and set the precedence for excellence. She asked if Board members would put their child into a school with a part-time principal. Albemarle County is a leader in education and a strong motivator for people to move to the County. With the cuts that have already been made and the cuts in the principals, she does not think that will remain the case. She asked that the Board fund the schools.

Mr. Remy Indebetouw said he is a parent and an U.Va. faculty member. Mr. Indebetouw said that not educating our children is pretty poor parenting, and while getting the best education for his children might be what he wants, everyone in the room needs that to happen in order to build a stronger country and invest in the future. He does not think the Board would ask our country to weather a recession with a half-time president; or ask a company to restructure with a half-time CEO. By that logic, they could eliminate one-half of the Board members and the county would be just fine. He asked the Board to find the money to preserve the leadership.

Mr. Steve Gissendanner said he is a teacher in the County school system. He said that is here to talk about honesty. This Board has not been honest with this budget; there is money pulled off the top before the 60/40 split that's never been clearly communicated. He added that this year the Board pulled even more money out of the formula and redirected that to the government so that now the 60/40 split has been reduced even further. He asked that the Board be honest with the public about how it is really funding the schools as compared to local government. Mr. Gissendanner emphasized that his classroom budget has stayed the same for the last seven years, with \$300 in supplies for 50 kids in a science class all year, and many years it gets taken back if it is not spent by Christmas. He stated that he does not see money being thrown around. He said that the School Board has had an independent audit of their efficiency, which went line by line, and they are doing a pretty good job finding savings. The School Division continuous looks for savings.

There being no further public comments, the public hearing was closed.

Ms. Mallek thanked everyone for coming tonight and sharing their ideas. The Board members have listened carefully and made notes, and will continue with this debate going forward.

Mr. Boyd noted that he has heard at this meeting that the Board members did not listen to comments from audience members at their last public hearing. He emphasized that there was an \$8.0 million shortfall in the School budget at that time, and that has shrunk to \$400,000, which he personally felt was a reasonable number given the economic times we're in. Mr. Boyd said that it would never have been his decision to eliminate principals in the schools and he thinks that is the wrong thing to do, but that is a School Board decision. He stated that that's not something that this Board did, nor did they ask them to do it. Mr. Boyd mentioned that the Board funded 99.7% of what was requested of them at the time, but that number has changed now because the School Board has decided to put the principals back in, but they are going to have to find that within their own budget to do it. He noted that the School Board Chairman has now asked the Board for one-time money, because they don't want to spend the one-time

money that the State is going to give them. The Board understands that ongoing costs have to be funded with sustainable funds, but the Board also understands that every year things like what happened this year can happen. If the State had not gone back and made the adjustments it did, the County would be facing an \$8.0 million shortfall in the School Board budget. He thinks this Board would then have had to step up and do something. He does not think that this Board is always the ones who are on the end of the chain and it falls on this Board to put that tax burden on the property owners in this County. He added that the Board is not opposed to education, nor are they unsupportive of a world-class education, but certain times dictate you have to change. Mr. Boyd stated that it's being done with businesses and personal lives, and you can't just increase income by going out and taking some from your neighbor. He thinks that people need to get use to living on less. He believes a quality education can be provided to the children in the community by making wise and well-implemented cuts in spending. He does not think a \$400,000 or a \$700,000 shortfall will be a draconian cut in a \$145.0 million budget.

Mr. Snow added that the \$8.0 million was covered, along with a \$3.4 million surplus of one-time money. He stated that the principals could be funded out of that one-time money, until it is clear what next year will bring.

Mr. Dorrier commented that the School Board has made the decision to put the principals back into their budget.

Mr. Rooker said that they did, but it puts their budget out of balance by about \$700,000.

Mr. Dorrier said he thinks the Board should do whatever it needs to do to make sure the principals are full-time; you can't run two ships with one captain.

Mr. Snow emphasized that that's a School Board decision.

Mr. Rooker commented, when Mr. Dorrier says we need to do what we have to do to do these things, sometimes that means raising revenue, and he has not seen him willing to do that since he has been on the Board.

Mr. Dorrier said that the Board has a reserve fund that has some money in it.

Mr. Rooker responded that the County has a \$293.0 million budget, but has a reserve that is far less than 1% of that. If you have a one-half-percent swing in the revenue projections, you're under water. That is pretty tight.

Mr. Rooker said that he hadn't planned on making comments tonight, but the budget the Board is getting ready to adopt means there is no capital improvements plan. For the next five years, they have no new investment in capital in the community; in fact, the plan assumes that in four or five years out, the County is borrowing money to pay debt. In his opinion that is incredibly imprudent. He added that the schools have been told by this Board not to look to one-time money to build an operating budget with continuing expenses, and this year when they followed that script they are being told the opposite. Mr. Rooker stated that next year, the School budget will be cut a minimum of \$2.5 million by the State, and the following year the adjustments in the composite index will further reduce it by that amount. He said they are looking at is a cliff in funding for schools from the state. He asked if the Board is really willing to step up and raise the revenues necessary to continue to fund schools at a reasonable level at the same time they are being asked to raise money for capital. There are at least 50 less police officers than the County's policy calls for. Mr. Rooker stated that if there is no investment in education and capital projects, the County better get used to living on less because it is going to be less of a community and less desirable. He said that a number of people came forward and said they moved their businesses here because of the quality of education and other services. Mr. Rooker stated that the financially successful communities in this state are the ones that have made an investment in those areas, and they have substantially higher tax rates.

Mr. Rooker said that Northern Virginia is cranking out two-thirds of the economic growth in this state, and they make an investment back in their communities, schools, libraries, etc., and they don't operate on a 53-cent tax rate that Albemarle operates on here, which is the net rate when you account for land use. He stated that many people here who commented that they want to keep taxes low are on land use and actually pay about 10% of the taxes that everybody else pays on the same value. He thinks that the Board is making a mistake, especially by not addressing at least a minimum investment in some of these areas to maintain a reasonable level of services over the next couple of years.

Ms. Mallek stated that the Board has heard many different voices and is trying hard to work together to come up with a solution that it can go forward with. She asked the community to stay engaged with the Board and keep their ideas coming.

Mr. Boyd commented that he disagrees with Mr. Rooker's contention that the County will have to borrow to pay debt. He thought they were borrowing to do maintenance.

Mr. Rooker replied that one way or another you are going to be borrowing to maintain the existing capital, either in terms of borrowing to pay debt, or borrowing to pay maintenance.

Mr. Snow emphasized that there is no crystal ball that shows what will happen in four or five years.

Mr. Rooker responded that the Board develops a five-year business plan that is based upon some assumptions, and based on those, the things he said about borrowing for debt are true. He added that he is afraid that what the Board is doing now is just going to set the County up for having either dramatic decreases in the quality of education and other services, or substantially higher taxes in order to deal with the cliff in education funding that appears to be coming, and the fact that the Board has no money in its budget for capital. He thinks it is imprudent.

There were no further comments.

Agenda Item No. 7. From the Board: Matters Not Listed on the Agenda.

Ms. Mallek asked Board members to read over their emails and review the message from VML regarding the State budget so they can decide whether they want to send back a response.

Mr. Rooker replied that he read it and he supports it.

Agenda Item No. 8. Adjourn.

There being no further business, the meeting adjourned at 8:43 p.m.

Chairman

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