An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on October 12, 2011, at 2:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from October 5, 2011.

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, Thomas C. Foley, County Attorney, Larry W. Davis, and Clerk, Ella W. Jordan.

Agenda Item No. 1. Call to Order. The meeting was called to order at 2:02 p.m., by Ms. Mallek, the Chair.

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Agenda Item No. 2. Recognition of Virginia Wine Month.

Ms. Lee Catlin, Assistant to the County Executive for Community and Business Partnerships, stated that October is Virginia Wine Month in the state and noted the importance of the industry locally and statewide. She then gave the top ten reasons why Albemarle County loves its winery industry. Wineries have become a focal point for tourism efforts with the whole history and entrepreneur spirit behind it. Virginia wines have been around for over four centuries and even Thomas Jefferson realized Virginia's potential. Wine tasting and wine touring is truly one of the County's largest tourism attractors. Wineries are comprised largely of family businesses. Many of Albemarle's vineyards are run by families and are in many cases promotes the possibility of successful agricultural enterprise that can be passed on to future generations in ways that some other enterprises are not. Wineries promote the County's rural area economic vitality. Active viable farm wineries such as the ones in the County provide economic benefit not only wineries and the employers, but for other rural area ventures that are being supported by the patronage and the purchasing power of winery visitors. Good wine inspires and pairs well with good food. The area's commitment to producing fine wines has inspired many local farmers to cultivate heritage and heirloom boutique crops. Several of the County's local restaurants and stores are committed to selling local where possible and the ability to pair wine and food, both out in the rural areas and in restaurants, have become a powerful force for the County. Wineries provide careers in terms of the numbers of people that the industry employs. Wineries create beautiful travel destinations for local residents and visitors. The County's wineries are among the most scenic in the State. Wineries keep land in agriculture. Albemarle County has been part of driving a new wine culture in the United States. Wine consumption has risen for 14 consecutive years in the United States even through the recession years. Wine is becoming a part of mainstream American culture and Albemarle is there being a vibrant part of that culture. Lastly, wine makes Albemarle a lively and fun community. The wineries are places of entertainment, culture, enjoyment and social engagement, whose proprietors are focused on providing a quality experience to all visitors.

Ms. Catlin mentioned that the County is partnering with the CACVB to run an ad campaign in the next week in the *Daily Progress*, *The Hook* and *Cville Weekly* to encourage people to purchase local wine. She added that a map has been developed to show wineries, breweries and distilleries in the area – which would be available in both print and web format.

Mr. Dorrier asked if the County had ever done anything educationally related, perhaps with the Albemarle Farm Bureau, to sponsor a forum on the industry and how to grow grapes.

Ms. Mallek responded that the course at PVCC has been very well attended, and a lot of those graduates end up getting jobs in the local wine industry.

Ms. Catlin added that the County has invited the wineries to the upcoming rural area land use roundtable for the Comp Plan update to ensure their participation in any revisions related to them.

Ms. Mallek noted that the dollar spinoff from one wedding at a winery is about $100,000. She stated that there would be some discussion at the roundtable about changing rules related to food service in the Country, if it is a farm-based location.

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Agenda Item No. 3. Albemarle County Debt Financing – 2011 - Adoption of Resolution.

The executive summary provided to the Board states that on April 7, 2010, the Board of Supervisors adopted the County's FY 11 Operating and Capital Improvement Program (CIP) budgets. The FY11 CIP budget, after amendments, included financing of $11,372,366 as a source of funding. On April 6, 2011, the Board of Supervisors adopted the County's FY 12 Operating and CIP budgets. The adopted FY 12 CIP included financing of $10,549,920 as a source of funding. The County did not execute any financing during FY11. FY11 projects were funded using $11,372,366 of the capital fund balance anticipating that proceeds from this financing would be used to reimburse the fund balance. In addition, $19,225,778 of existing County debt has been identified that can be refinanced.

The County's Financial Advisors, Davenport and Company, presented a funding strategy overview to the Board on June 2, 2011. On September 14, 2011, Davenport followed-up with specific recommendations to the Board. Davenport proposed a lease financing through the Economic

Development Authority of Albemarle County, Virginia (EDA), which is enabled to assist the County in financing local government facilities and equipment.

Under the proposed strategy, the County would issue debt via a Public Sale using the EDA as the financing conduit in an amount not to exceed $39.6 million. Based on the County's excellent credit rating, it is expected that the debt would be issued with credit ratings near AAA levels (in the high AA category). The financing structure contemplates that the EDA will issue lease revenue bonds (the "EDA Bonds") in a public offering and loan the proceeds to the County for use in refunding the 2003 and 2009 lease financings as well as pay the costs of the new projects. The EDA Bonds will be secured by the lease structure described in Attachment A. To support the marketability of the Bonds, the County Executive, in consultation with the Financial Advisor, may include one or more of the following County-owned properties in the proposed Ground Lease and the Financing Lease: (a) the 5th Street County Office Building, (b) the 401 McIntire Road County Office Building, and (c) the County's Monticello Fire Station property. The County will make lease payments to the EDA to enable it to make debt service payments associated with this debt issuance, subject to appropriation.

The County's bond counsel, Hunton and Williams, has prepared a summary of the County's proposal to finance the FY11 and FY12 CIP financed projects, as well as refinancing and restructuring certain outstanding debt (Attachment A). The resolution necessary to advance this borrowing plan is also attached (Attachment B). Other documents incorporated by reference in the resolution will be circulated prior to the Board meeting.

Interest rates today are near 40-year lows, and thus very favorable for the County. The County may realize debt service savings via a strategic refunding of approximately $16 million if interest rates remain favorable. Restructuring of $2 million and strategic structuring of the new money could produce additional debt service savings.

Staff recommends that the Board adopt the attached Resolution (Attachment B) authorizing the proposed plan of lease financing through the EDA.

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Ms. Betty Burrell, Director of Finance, said that this afternoon the Board would take action on a proposed resolution authorizing a lease financing through the Albemarle County Economic Development Authority in an amount not to exceed $39.6 million. She said that a portion of the financing would be used to refund 2003 and 2009 lease financing and also to fund new projects as authorized by the Board of Supervisors in their FY11 and FY12 adopted budgets.

Ms. Burrell stated that the plan of finance was presented to the Board by Mr. Courtney Rogers, of Davenport and Company, on September 14th, with one of the most salient points made being a net savings of approximately $847,000 from refinancing the 2003 and 2009 debt – and that the recommended plan of finance would not violate any of the County's financial policies. She stated that credit analyst from Moody's and Standard & Poors would be touring with County administration next week to see firsthand the economic development progress made here, and would also be updated on the County's finances in order to provide a credit rating on the upcoming financing.

Ms. Burrell said that despite the increase in municipal bond interest rates since the September 14th meeting, the County would benefit from proceeding with financing because rates for highly rated municipal debts are still well below historical averages and below the preliminary estimates given last spring. She stated that due to the uncertain economic times and in light of Ms. Allshouse's presentation last week, Finance is not asking the Board to approve additional borrowing of $10 million as mentioned by Davenport.

Ms. Burrell added that the Board has also received a substantially complete preliminary official statement and other pertinent documents that were compiled and reviewed by a team of County staff, bond counsel – Hunton & Williams, Davenport, Mr. Davis and Finance staff. She stated that staff recommends adoption of the resolution authorizing the proposed plan of lease financing through the EDA. She added that Mr. Rogers is also present should Board members have questions.

Mr. Boyd asked what the total amount of debt to be refinanced was. Mr. Rogers responded that it would be $18 million.

Mr. Boyd noted the figure had been $39 million. Ms. Burrell said that was including the 2011 and 2012 capital.

Mr. Boyd said he thought at the last meeting it was an additional $6 million.

Mr. Rooker noted that this number has not changed since the last meeting.

Mr. Rogers said that was referring to the school portion of the CIP.

Mr. Boyd asked if they were lengthening the time on the debt. Mr. Rogers responded that they were not.

Mr. Rooker asked how interest rates had moved since the last time the Board met with Davenport.

Mr. Rogers said they saw the bottom for municipal interest rates right after the Board met, and bond rates have started to inch back upward. He stated that when they started planning back in the spring they used higher rates for calculations, and the rates included in this model for the County are still 1%

below the hypothetical rates used then. Mr. Rogers then presented rates from over the past few months, noting that they are still lower so the savings are still intact. He added that they had estimated a rate of approximately 4.5% for the new money, and the range now would be about 3.5%. Mr. Rogers said they have a ratings meeting next week with a sell scheduled for November 8.

Mr. Rooker asked if the feds' current effort to try to drive long-term rates down and shorter rates up was affecting the municipal market at all.

Mr. Rogers responded that it does affect it to some degree as it affects the bond market in general, and what the feds have been doing is buying bonds in the market to add some liquidity. He also said this has been one of the slowest municipal bond markets in the last 10 years, which has actually helped localities.

Mr. Rooker said there has been some discussion about the potential for municipals losing its tax free status. Mr. Roger responded that that discussion has been going on for a few years now. It seems that someone always brings it up in Congress as a way to balance the budget, however, what it would really do is hurt localities.

Mr. Davis clarified that the action the Board was being asked to take was to adopt the proposed resolution to endorse a plan to refinance, as shown in Attachment B to the Board's executive summary.

Motion was then offered by Mr. Rooker to adopt the resolution endorsing a plan to refinance as shown in Attachment B of the Board's executive summary. Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

RESOLUTION APPROVING A PLAN TO FINANCE AND REFINANCE CERTAIN PUBLIC FACILITIES PROJECTS THROUGH THE ISSUANCE OF REVENUE AND REFUNDING BONDS BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF ALBEMARLE

WHEREAS, the Industrial Development Authority of Albemarle County, Virginia (now the Economic Development Authority of Albemarle County, Virginia) (the "Authority"), pursuant to the Industrial Development and Revenue Bond Act (the "Act") under which it is created, is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans to, among others, a county in furtherance of the Act, to finance or refinance and lease facilities for use by, among others, a county, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any source, as security for the payment of principal of and interest on any such obligations; and

WHEREAS, the Authority has previously issued its $18,535,000 Public Facility Revenue Bonds (Albemarle County Project), Series 2003 (the "2003 Bonds"), the proceeds of which were loaned to Albemarle County, Virginia (the "County") pursuant to a Financing Agreement (as defined below), to finance (a) the acquisition, renovation and equipping of new administrative facilities for the County located at 1600 5th Street, Charlottesville, Virginia (the "5th Street Building"), and (b) the County's capital contribution to the costs of acquiring, constructing and equipping, in conjunction with the City of Charlottesville, a juvenile courts facility and related improvements;

WHEREAS, the Authority has previously issued its $6,841,021 Public Facility Revenue Note (Albemarle County Fire Station), Series of 2009 (the "2009 Note"), the proceeds of which were loaned to the County pursuant to a Note Purchase Agreement and Lease Agreement dated as of June 1, 2009, among the Board of Supervisors of Albemarle County, Virginia (the "Board of Supervisors"), the Authority and SunTrust Bank, as purchaser of the 2009 Note, to finance and refinance the costs of acquiring, constructing and equipping a fire station known as the Hollymead Fire Station and replacing certain fire and EMS apparatus;

WHEREAS, the Board of Supervisors desires to undertake, in conjunction with the Authority, the financing of certain projects from the County's Capital Improvement Plan for Fiscal Years 2011 and 2012 (collectively, the "CIP Project"); and

WHEREAS, the County desires to finance the CIP Project and realize interest rate savings by requesting the Authority to issue its Public Facility Revenue and Refunding Bonds (Albemarle County Project), Series 2011 (the "Bonds"), and use the proceeds to (a) finance the CIP Project, (b) refund the 2003 Bonds and the 2009 Note (together, the "Refunded Bonds") and (c) pay the related costs of issuing the Bonds and refunding the Refunded Bonds; and

WHEREAS, the Bonds will be secured in part by payments appropriated from time to time by the Board of Supervisors and payable to the Authority in accordance with the terms of the Financing Agreement; and

WHEREAS, to improve the marketing of the Bonds at attractive interest rates, Davenport & Company LLC, the County's financial advisor (the "Financial Advisor") has recommended that the County consider providing additional security for the Bonds by undertaking a lease/lease-back financing arrangement with the Authority of certain County property (the "Property"); and

WHEREAS, there have been circulated prior to this meeting drafts of the following documents (collectively, the "Documents"), proposed in connection with the issuance and sale of the Bonds and the refunding of the Refunded Bonds:

(a) Second Supplemental Agreement of Trust, supplementing the Agreement of Trust dated as of March 1, 2003, between the Authority and U.S. Bank, as successor trustee, (the "Trustee") as previously supplemented (collectively, the "Trust Agreement"), all between the Authority and the Trustee, including the form of the Bonds, pursuant to which the Bonds are to be issued and which is to be acknowledged and consented to by the County;

(b) First Supplemental Financing Agreement (the "Supplemental Financing Agreement"), supplementing a Financing Agreement dated as of March 1, 2003 (collectively, the "Financing Agreement"), both between the Authority and the County, pursuant to which the Authority will loan the proceeds of the Bonds to the County and the County will undertake, subject to appropriation, to make payments to the Authority in amounts sufficient to pay the principal of and premium, if any, and interest on the Bonds and certain other related costs;

(c) Preliminary Official Statement of the Authority relating to the public offering of the Bonds (the "Preliminary Official Statement");

(d) Notice of Sale (attached as Appendix G to the Preliminary Official Statement) (the "Notice of Sale") (applicable only if the Bonds are sold through a competitive sale);

(e) Continuing Disclosure Agreement (attached as Appendix F to the Preliminary Official Statement), pursuant to which the County agrees to undertake certain continuing disclosure obligations with respect to the Bonds;

(f) Deed and Agreement of Ground Lease (the "Ground Lease"), between the Authority and the County, conveying to the Authority a leasehold interest in certain County real property as hereinafter described (the "Property");

(g) Deed and Agreement of Financing Lease, between the Authority and the County (the "Financing Lease"), conveying to the County a subleasehold interest in the Property;

(h) Assignment Agreement (the "Assignment Agreement"), between the Authority and the Trustee, assigning to the Trustee certain rights of the Authority under the Ground Lease and the Financing Lease; and

(i) Bond Purchase Agreement (the "Bond Purchase Agreement"), between the Authority and an underwriter (to be selected by the Authority and the County), and which is to be acknowledged by the County (applicable only if the Bonds are sold through a negotiated sale);

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF ALBEMARLE COUNTY, VIRGINIA:

1. The following plan for financing the CIP Project and refunding the Refunded Bonds is hereby approved. The Authority will issue the Bonds in an aggregate principal amount not to exceed $39,600,000. The Authority will use the proceeds of the Bonds to finance the CIP Project, refund the Refunded Bonds, and pay the costs of issuing the Bonds and refunding the Refunded Bonds. Pursuant to the Financing Agreement, the County will undertake to make certain Basic Payments and Additional Payments (each as defined in the Financing Agreement) to the Authority in amounts sufficient to amortize the Bonds, to pay the fees or expenses of the Authority and the Trustee and to pay certain other related costs. The obligation of the Authority to pay principal of and premium, if any, and interest on the Bonds will be limited to Basic Payments and Additional Payments received from the County. The Bonds will be secured in part by an assignment of the Basic Payments and certain Additional Payments due under the Financing Agreement, all for the benefit of the holders of the Bonds. The undertaking by the County to make Basic Payments and Additional Payments will be subject to the appropriation by the Board of Supervisors from time to time of sufficient amounts for such purposes. As additional security for the Bonds, the County will grant to the Authority a leasehold interest in the Property pursuant to the terms of the Ground Lease. The Authority will sublease the Property to the County pursuant to the terms of the Financing Lease. The County Executive is authorized to determine, in consultation with the Financial Advisor as to what would improve the marketing of the Bonds at attractive interest rates, which one or more of the following County-owned properties shall constitute the "Property" for purposes of the Ground Lease and the Financing Lease: (a) the 5th Street Building, (b) the County's administrative facilities located at 401 McIntire Road, Charlottesville, Virginia, and (c) the County's Monticello Fire Station property (and for which the County's Hollymead Fire Station property may subsequently be substituted when the County acquires title). Payments due under the Financing Lease will be credited in an amount and time to the extent the County makes all Basic Payments and Additional Payments due under the Financing Agreement with respect to the Bonds. The plan of financing the CIP Project and refunding the Refunded Bonds shall contain such additional requirements and provisions as may be approved by the County Executive and the Chairman of the Authority.

2. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make appropriations in future fiscal years in amounts sufficient to make all payments due under the Financing Agreement, which payments, as applicable, shall be credited toward the payment of amounts due under the Financing Lease, and hereby recommends that future Board of Supervisors do likewise during the term of the

Financing Agreement and, if applicable, the Financing Lease. The Board of Supervisors hereby confirms that the CIP Project is essential to the efficient operation of the County and the Board of Supervisors anticipates that the CIP Project will continue to be essential to the operation of the County during the term of the Financing Agreement and the Financing Lease.

3. The Chairman of the Board of Supervisors and the County Executive, either of whom may act, are hereby authorized and directed to execute the Documents to which the County is a signatory, which shall be in substantially the forms circulated prior to this meeting, which are hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer signing such Documents, the execution and delivery thereof to constitute conclusive evidence of the officer's approval of any such completions, omissions, insertions and changes. The County Attorney is hereby authorized to cause the Ground Lease, the Financing Lease, the Assignment Agreement and other documents as are necessary to be recorded in the Clerk's Office of the Circuit Court of Albemarle County.

4. In making completions to the Supplemental Financing Agreement and the Financing Lease, the County Executive, in collaboration with Financial Advisor and the Authority, shall provide for Annual Payments (under the Financing Agreement) and Basic Payments (under the Financing Lease) in amounts equivalent to the payments on the Bonds, which shall be sold to the purchaser thereof on terms as shall be satisfactory to the County Executive; provided that the Annual Payments/Basic Payments shall be equivalent to the Bonds (a) maturing in installments or subject to mandatory sinking fund redemption ending not later than December 31, 2032; (b) having a true or "Canadian" interest cost not exceeding 5.00% (taking into account any original issue discount or premium); (c) being subject to optional redemption, if at all, at a premium not to exceed 2.00% of their principal amount; and (d) being sold to the purchaser thereof at a price not less than 98% of the aggregate principal amount thereof (without taking into account any original issue discount or premium). The County Executive is also authorized to approve a lesser principal amount for the Bonds, a maturity schedule (including serial maturities and term maturities for the Bonds) and the redemptions provisions of the Bonds, all as the County Executive shall determine to be in the best interest of the County.

5. (a) The Board of Supervisors approves the following terms of the sale of the Bonds. The Bonds shall be sold through a competitive sale or a negotiated sale, as the County Executive, in collaboration with the Financial Advisor and the Authority, determines to be in the best interests of the County.

(b) If the County Executive determines that the Bonds shall be sold by competitive sale, the County Executive is authorized to receive bids for such Bonds and award such Bonds to the bidder providing the lowest "true" or "Canadian" interest cost, subject to the limitations set forth in Section 4. Following a competitive sale, the County Executive shall file a certificate with the Authority and the Board of Supervisors setting forth the final terms of the Bonds. The actions of the County Executive in selling the Bonds by competitive sale shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board of Supervisors.

(c) If the Bonds are sold by competitive bid, the County Executive, in collaboration with the Financial Advisor, is authorized and directed to take all proper steps to advertise the Bonds for sale substantially in accordance with the form of Notice of Sale, which is hereby approved; provided that the County Executive, in collaboration with the Financial Advisor, may make such changes in the Notice of Sale not inconsistent with this Resolution as he may consider to be in the best interest of the County.

(d) If the County Executive determines that the Bonds shall be sold by negotiated sale, the County Executive is authorized, in collaboration with the Financial Advisor and the Authority, to choose an investment bank or firm to serve as underwriter for the Bonds and to execute and deliver to the underwriter a bond purchase agreement (the "Bond Purchase Agreement") substantially in the form circulated to the Board prior to this meeting, which is hereby approved, with such completions, omissions, insertions and changes as approved by the County Executive and necessary to reflect final terms of the Bonds. The execution thereof by the County Executive shall constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes. Following a negotiated sale, the County Executive shall file a copy of the Bond Purchase Agreement with the records of the Board. The actions of the County Executive in selling the Bonds by negotiated sale to the underwriter shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board of Supervisors.

6. The Preliminary Official Statement in the form circulated prior to this meeting is approved with respect to the information contained therein (excluding information pertaining to the Authority). The County authorizes distribution of the Preliminary Official Statement to prospective purchasers of the Bonds in a form deemed to be "near final," within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the County Executive. Such distribution shall constitute conclusive evidence that the County has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, with respect to the information therein pertaining to the County. The County Executive is authorized and directed to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement that are necessary to reflect the terms of the sale of the Bonds, determined as set forth in paragraph 4, and the details thereof and that are appropriate to complete it as an official statement in final form (the "Official Statement") and distribution thereof to the purchaser of the Bonds shall constitute conclusive evidence that the County has deemed the Official Statement final as of its date within the meaning of the Rule.

7. The County covenants that it shall not take or omit to take any action the taking or omission of which shall cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations thereunder, or otherwise cause interest on the Bonds to be includable in the gross income for Federal income tax purposes of the registered owners

thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States of America any part of the earnings derived from the investment of the gross proceeds of the Bonds. The County shall pay from its legally available general funds any amount required to be rebated to the United States of America pursuant to the Code.

8. All costs and expenses in connection with the financing of the CIP Project, the refunding of the Refunded Bonds and the issuance of the Bonds, including the Authority's fees and expenses and the fees and expenses of bond counsel, counsel for the Authority, and the Financial Advisor for the sale of the Bonds shall be paid from the proceeds of the Bonds or other legally available funds of the County. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor.

9. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

10. All other acts of the County Executive and other officers of the County that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the refunding of the Refunded Bonds are hereby approved and ratified.

11. This Resolution shall take effect immediately.

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Agenda Item No. 4. Brief Update on Board Attendance at Upcoming Meetings.

Ms. Catlin addressed the Board, stating that staff wanted to establish the best approach for managing their participation in the upcoming roundtables, and suggested that they establish a plan for who would attend which meeting.

Mr. Rooker said they had this situation before and the Board agreed they would attend but not participate in the discussion.

Mr. Davis stated that if anyone participates in the discussion there would be a meeting of the Board that is not properly advertised, with no minutes taken. It is possible to do it that way, but there is an inherent risk that Board members would be inadvertently violating the Freedom of Information Act.

Mr. Rooker commented that previously Board members have stated at the beginning of the meeting that they could not participate in the discussion for that reason, and it worked. That would be his preference so that if anyone wants to attend one of the sessions, they could.

Mr. Davis said that works as long as it is clear Board members do not want to participate. In some of these roundtables and other discussions Board members have and wanted to participate. He said that the roundtables are not really intended to have Board member involvement, as they would yield citizen recommendations especially in the Comp Plan process.

Ms. Mallek asked if notice of a meeting needs to be posted.

Mr. Davis stated that if any purpose of the meeting is for the Board members to meet and discuss or transact public business, then it has to be posted by the Clerk to meet FOI requirements. If there are four or more members present that would be an official Board of Supervisors meeting if they participate which has special meeting requirements, if it has not been an adjourned meeting.

Ms. Catlin commented that if the Board members are present but do not participate, they do not have to do either of the things stated by Mr. Davis.

Mr. Davis further clarified that if any one Board member participates and three or more are assembled, it is a meeting that must meet all of the requirements of the FOIA.

Mr. Catlin added that November 1 is the ag/business roundtable, with the November 1 evening meeting being a follow-up to the school/business initiatives generated at the Martha Jefferson meeting.

Mr. Davis stated that normally the Board would adjourn to the November 1st evening meeting and minutes would be taken. He said the legal requirements for minutes are fairly minimal – who is in attendance, what matters are discussed and a recordation of which votes are taken, along with a timeline. Mr. Davis stated that the Board's requirements for minutes are more stringent than that, but for special meetings they could have summary minutes if they so chose.

Mr. Rooker said the first meeting at MJH had both the School Board and the Board of Supervisors in attendance and asked if they were not planning to do that this time.

Mr. Foley responded that they do plan to have more than three members at the meeting.

Mr. Rooker said that one person could take those minutes.

Mr. Foley replied that if the Board is satisfied with summary minutes, that would work.

Ms. Catlin stated that her understanding is the Board would adjourn to the school/business roundtable on November 1, with the other Comp Plan roundtable and other roundtables being non-participatory.

Agenda Item No. 5. Work Session: Departmental Budget Reviews.

Ms. Lori Allshouse, Director of Budget and Performance Management, said that last spring staff interviewed every Board member about the budget process and asked for improvements. She said that one of those recommendations was to include the schools more in the budgeting process, and they are now being involved in five-year financial planning. Ms. Allshouse stated that Board members also wanted to hear more directly from department heads as to how they build their budgets and wanted to continue incorporating zero-based budgeting principles and practices into County policies. She said that last fall the Board heard from the Police Department and Parks & Rec as to how they build their budgets, and today they would hear from the Department of Social Services and the Information Technology Department.

Item No. 5a. Department of Social Services

Ms. Kathy Ralston, Director of Social Services, addressed the Board and introduced staff present: Ms. Sonia Jammes, Mr. John Freeman and Ms. Phyllis Sevedes. She stated that prior to presenting the DSS budgeting process she wanted to share some information regarding the day-to-day budgeting challenges of families served, as "the voice of those in poverty is frequently drowned out by other important and competing interests." Ms. Ralston presented a video highlighting a family of four that was based on a self-sufficiency study published in 2006, noting that since that time costs have gone up considerably. She stated that the self-sufficiency wage in 2006 for this family to live in the community would have been $11.76 per hour or a combined wage of $49,686. She noted that DSS programs are not able to meet all the needs, so there is reliance on community agencies, churches, etc.

Ms. Ralston reported that the DSS budget for FY12, which includes CSA and Bright Stars, is just over $19 million. She stated that the department operates about 32 programs, some of which contain several sub-programs that bring the total to 40-50 programs. Ms. Ralston said that DSS has 104 staff and serves about 11,000 residents through programs such as Food Stamps (SNAP), TANIFF, Medicaid, FAMIS, etc. – and the majority of people in those programs are working, elderly, disabled or children. There are very few people in any of their benefit programs that are not working, and if they're not working it is because they have some kind of an exemption. She emphasized that there are probably less than 100 that fall into this category, noting that their SNAP caseload has increased over the past five years – with a 40% increase last year. Ms. Ralston said that Medicaid increased 27% last year and if the Healthcare Reform Act continues on its current path, those numbers would likely increase. She stated that social work programs such as child protection, foster care, childcare, etc., have had smaller increases – with adult protective services experiencing an 8% increase over the past year. Ms. Ralston reported that they served about 255 children in the broader CSA program over the past year, spending about $6.5 million.

Ms. Ralston reported that for every local dollar spent, DSS generates about $12 for the community. She explained that the biggest pressures in the department currently is workload, with 18 staff doing the workload of 27 in the benefit program and 29 staff in social work programs doing the work of 45 – based on a statistically valid workload measures for their department. Ms. Ralston stated that poverty numbers in the U.S. are higher than they have been in the last 52 years, although Albemarle has had a 3% increase in poverty in the number families with children under five and smaller increases across other demographics. She emphasized that the federal poverty limits are "pretty low," with a family of four only falling under the poverty line with an income of $22,350 annually. Ms. Ralston stated that other pressures for the department include handling the increasing aging population, noting that there are 19 long-term care facilities in the County. She said they do investigations in those facilities whether it is abuse and neglect or financial exploitation, and every time a facility is added it increases the DSS workload. Ms. Ralston stated that the aging population in the rural parts of the County is "very isolated," and service delivery to them is much more challenging.

Ms. Ralston said there is increased demand from state and federal governments and lots of policies that change on a regular basis, adding that there are many "new poor" who have come into the department – which has increased staff workload and led to more customer complaints about turnaround time. She stated that the budget planning for DSS starts at the Congressional level and comes down through the two primary regulatory agencies – the Department of Health and Human Services and the Department of Agriculture – and then down to the state level through the Virginia DSS and the Department of Medical Assistance Services. Ms. Ralston added that there is some ability to make changes to local programs such as Bright Stars. Virginia is one of 15 states in the nation that is considered a "state-supervised, locally administered social service system." She noted that this is why there is some flexibility at the local level but also state support for things like IT. In addition, the department uses several different sources for information about upcoming changes.

Ms. Ralston said the DSS uses forecasting and prioritization as well as local needs assessments when building the budget, along with caseload trends and a lot of staff input. She stated that they use external customer surveys for input, including partner agency surveys, and the strategic plan coming out of their Advisory Board. Ms. Ralston stated they continuously look for funding opportunities, such as a recent grant from the state for prisoner reentry in collaboration with the City of Charlottesville. She explained that the City obtained federal funds through the "Second Chance Act," and those are being used in collaboration with Offender Aid and Restoration. Ms. Ralston stated that when something is not working well, they will bring their team together to evaluate what is needed for improvement – and if workloads are out of balance they consider what efficiencies could be implemented. She said that they moved CSA out of the resource study to the department and gained some great efficiencies by doing that.

To construct the budget, she said, the department talks with vendors to anticipate any increases, seeks guidance from OMB, considers trends at the federal and state level, evaluates historical information and contemplates projections compared to caseload. Ms. Ralston said there are of course mandated programs, but there are also non-mandated programs that come to localities if the locality provides a match. She stated that the local DSS has a small "family preservation fund" of about $9,000 that is used with the child protective service unit to defray costs for psychological evaluations, in-home counseling, etc. – and only a 15%-match is required locally.

Mr. Snow asked how DSS works with other agencies such as the Free Clinic, Food Bank, CHIP, the Boys and Girls Club, and other agencies.

Ms. Ralston stated that there is nothing in the DSS budget for them specifically, but they are great referral sources for the department – and there are many families who use Food Bank packages or who might be referred to Bright Stars from CHIP.

Mr. Snow asked if there is a lot of redundancy in what the different groups are providing.

Ms. Ralston responded that there isn't with those groups, as they often work with different populations. She explained that there is no early intervention program for the age 0-6 population, as that is a CHIP or Healthy Families program, but DSS would serve them if they come to the department's attention as a foster child or one in need of protection. Ms. Ralston noted that sometimes department funds will pay for things like after-school care and child care in child care centers, but they do not provide the service directly. She said that Bright Stars is an example of a non-mandated program that is not considered a "core service," but if the County accepts the Virginia Preschool Initiative money it must match those funds. The department can also use some state and federal dollars to support the social workers in that program.

Mr. Rooker asked how much in outside funding was received and used to support that program.

Ms. Ralston responded that Bright Stars had $414,000 in FY10 and that would have been through a grant received from the state, with the federal dollars for those social workers being mixed in with other federal dollars. She said that Bright Stars and Family Support are examples of non-mandated programs that have helped keep kids out of foster care and out of child protective services.

She stated that in building their budget they use the Human Resources Department and OMB to help forecast salary and fringe benefits, with estimates of anticipated fixed costs such as rent, advertising, state police background checks and other mandatory items. Ms. Ralston said they then consider discretionary funding such as training, furniture and equipment, vehicles and subscriptions. She stated that the department's operations include true operations – such as rent, phone service, office supplies – but also includes purchase of services, which includes foster care payments, childcare payments, VIEW payments, etc. Ms. Ralston presented a chart showing DSS expenditures, with 40% federal, 25% state and 35% local, noting that local agencies are becoming very reliant on federal pass-through funds. She noted that the federal government provides much more funding to Virginia than Virginia accesses because Virginia does not pay the match. She said that the Virginia DSS has stated it will get federal dollars for localities, if localities pay both the state and local match – and this has allowed the state to get off the hook from their fair share.

Mr. Dorrier asked if the pass through is on a dollar per dollar basis. Ms. Ralston replied, "no". It is a 50% match; the County pays the 20% local match and the 30% state match in order to get 50% federal dollars.

Mr. Rooker asked how much money is going out in that capacity. Ms. Jammes responded that it varies by category and is listed as "other funding" in their revenue generation chart.

Mr. Rooker said it would be helpful to know how much money that is. Ms. Ralston said they could get that number for the Board. Mr. Rooker said he is particularly interested in the amount of state match the County is putting out.

Ms. Ralston reported that their budget is due every year before the state budget is due, so they do the County budget, wait for the state budget in the spring and then reconcile the budgets based on the lower amount.

She reported that there have been over 16 major policy changes with little or no corresponding increase in resources during the past 20 years, and their operational budget has not increased from the state since 1986. Ms. Ralston also said that in CSA, they have not received a penny more in administrative funds since 1992, with the same $12,000 awarded to administer that program. She stated that the social services block grant from the federal government to states has decreased from $70 million in 1994 to $45 million today, which pays their social worker salaries. Ms. Ralston said they have a greater reliance on Title IV E funds, which is actually good news, and TANIFF has decreased from $232 million in 1994 to $113 million today. She stated that they have received some small increases periodically, with their program improvement plan in 2005 generating enough money to get a foster care position. Ms. Ralston said there was a salary study done a few years ago and the General Assembly approved it – but paid one year and not the second year. She stated that there have been occasional salary increases for the state staff that localities have been able to access for themselves, but it is only a few thousand dollars. Ms. Ralston said that forecasting revenues is similar to forecasting expenditures – staying informed, listening to federal and state partners, analyzing trends, and using the knowledge from the league of DSS agencies.

Ms. Ralston said that when you take the payroll and overhead and divide it by the assistances and services, you come out with an 8.3% operational cost for the department. She stated the department is a two-time SPQA award winner and has been recognized on multiple occasions at the state and national level for its Bright Stars program. Ms. Ralston said they emphasize managing by data and have an extensive use of customer feedback mechanisms and KPIs as well as other tracking, along with yearly self-assessments that focus on the Baldridge framework for performance excellence. Ms. Ralston said that she is thrilled that their staff has responded the way they have; they have done a great job.

Mr. Snow stated that he attended the awards ceremony yesterday and realized they are about 24 people and millions of dollars short, but there is a creative, vibrant staff that just seems to keep filling in the gaps and doing what needs to be done and winning awards while they are doing it.

Ms. Mallek said she worries about burnout a lot.

Ms. Ralston said that she does also, and they have seen an increase in use of FMLA that is attributed to stress-related illnesses. They know that it is taking a toll on the staff. The staff is really pushed to the wall, particularly the eligibility staff.

Mr. Dorrier stated that government gets a bad rap, but this is an example of government at its best.

Mr. Rooker asked if Ms. Ralston benchmarks the 8.3% operational against other DSS offices.

Ms. Ralston responded that she does not, but she likes that idea.

Mr. Rooker also asked if she would come back at some point to talk about workload measures.

Ms. Ralston responded that she could, but added that they calculate it based on the number of hours it takes to do a task, and if it takes someone longer they may not have the tools or training needed.

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Item No. 5b. Information Technology

Mr. Michael Culp, Director of Information Technology, stated that he would be presenting an overview of the IT Department budget process including a comparison with other peer localities and cost-savings measures. He reported that the IT Department has 19 staff. The department is broken down into two groups: support and web; and development and operations and systems engineering, all based on support of systems provided by voice and networks and server systems. Mr. Culp stated they have 71 specialized systems that provide support for individual departments, ranging from the DSS Department's "Easy Filer" system to "Pistol," the Police Department's records management system and the Jury Selection System for the Clerks of Court. He said IT supports all local government, agencies the County serves as fiscal agents, and schools through core systems, such as financial systems and payroll – with the support and web group answering questions about passwords, printing, etc., and the development and operations group handling all the management and maintenance of those systems, along with custom development. Mr. Culp stated that two systems engineers provide all of the networking that makes it all work, and they are skilled engineers that manage the infrastructure – all of the servers, networking gear. He presented a brief overview of all specialized systems, noting there is a sophisticated IT catalog that allows them to monitor all systems in one location. They keep track of whether they are up and running, the different types of risks, etc. Mr. Culp explained that the majority of these are commercial "off the shelf" packages, and IT must go through each year and decide whether to renew those contracts – and sometimes they develop in-house products to fulfill those needs. He said they have reduced those maintenance contracts significantly over the last three years.

Mr. Rooker asked how much is spent each year on third-party maintenance and software.

Mr. Culp replied it is $350,000+ annually, but they have done a good job in reducing that as much as possible.

Mr. Culp presented a map that the GIS Department had created, noting that IT is in all County office buildings – with school financial, HR and payroll systems also supported. He said they are funded for 20 IT professionals, with offices at the COB and 5th Street – and one professional at 5th Street also providing support for the two County-owned fire stations and the ten locations with County equipment. He stated that one major portion of the annual operating budget is the fiber optic line and telephony equipment that is leased through Century Link, which is currently the biggest vendor from an expenditure standpoint. This is a significant network they maintain and monitor. Mr. Culp compared the IT Department to a power company, providing service for that large network. He said they are also supporting users who telecommute, providing the tools and support needed for mobility.

Mr. Rooker asked how long the IT Department had been providing services for the courts. Mr. Culp responded that it has been at least 10 years.

Mr. Davis said it has been in place since the County became computerized.

Mr. Rooker commented that they are state employees and asked if the state provide their IT services. Mr. Culp responded that the state provides support for the Lotus Notes application, but the County provides maintenance for that. The County provides support for all other IT services.

Mr. Rooker asked if that was the arrangement in other localities as well.

Mr. Culp responded that Albemarle is somewhat unique in that, and also provides the service for the Sheriff's Department.

Mr. Culp reported that in 2007 they increased their number of positions to 23, but a work-ending illness, a relocation and a retirement occurred during the downturn, so in 2007-08 they had to restructure to accommodate for those three frozen positions. Mr. Culp said they have covered for that, in part, through a higher reliance on their major system upgrade vendor, which does a lot of the work to put the new system in. He stated there is one open position, but is under consideration for internal promotion and may even be frozen for budgetary reasons. Mr. Culp stated that they are working with a 17% overall reduction, which has come with significant strain and changes in duties and process. He said that despite the system upgrade they continue to find ways to serve the customer bases and continue to receive high marks on internal customer surveys. Mr. Culp stated that they have not had time or money to attend trainings and seminars, but continue to take advantage of things that are already provided. He said if they fail to take advantage of newer hardware and services, they may see hardware failure of systems as they extend beyond their service life. Mr. Culp also stated that there are morale issues with use of outdated products, and as the economy recovers he hopes the department will recover as well.

Mr. Rooker asked if the decision to not invest in upgrades is a CIP decision or an operating expense decision, adding that he has not seen a budget that has included discussion of expenditure on technology upgrades. He said it would be helpful to understand what the Board is not doing to support those needs.

Mr. Culp said that they made a decision two or three years ago to extend the life of PCs, leaving them in place for five years instead of three, and it has turned out to save some money. He also said that three years ago, they discontinued their agreement with Microsoft to upgrade software every year, an agreement that was $111,000 every year – but now they are going to have to catch up.

Mr. Foley noted that those decisions were arrived upon with staff working together to determine what could be trimmed, and IT has done as much to cut back and reorganize as any other department. He said there may be next level enhancements that were passed over, but that hasn't cut the department from providing good core technology and service to meet the needs of the organization. Mr. Foley stated that there are always decisions to be made as to whether to be on the front end of new technology or to wait until the products develop further.

Mr. Culp reported that the department benchmarks its staffing and budget against localities with similar populations and needs. Albemarle has 20 positions with a $2.5 million annual budget – and no other jurisdictions would say they are overfunded or overstaffed. He said that Stafford, for example, funds IT people within the public safety budget and within the treasurer's office. Mr. Culp stated that Albemarle is about one-half of the City of Roanoke's budget, as they run a $5 million IT budget for a population of 97,000. Albemarle is at a population of 98,970. He added that the department is doing things right.

Mr. Boyd asked if those localities also have separate IT departments for School Divisions.

Mr. Culp confirmed that they do, adding that the Resource Management Study revealed that Albemarle's staff is short at least three positions that would assist with integration, systems administration and support, and thus far the County is accomplishing that with existing staff. He also noted that when compared to its peers in the Study, Albemarle may be somewhat unique in that the department provides centralized supports for all of public safety, enterprise services such as MS Exchange, email and other types of support, and office support for the human services department. Mr. Culp said the Study also stated that "they also provide support for core business functions – finance, human resources, purchasing and payroll for the School Division." He stated that the report stated that "given the relatively low level of staffing, the IT Department is a very lean organization" and "overall the department is meeting customer demands and is generally held in high regard by its business users for being responsive and proactive."

Mr. Culp presented a pie chart depicting the budget breakdown, with every penny of the $374,446 for software vendors' maintenance being "consistently examined and questioned." He said they have no training dollars available at this point, and the only travel provided is for the person going to the courthouse and the person supporting the fire stations. The majority of this is for software maintenance. Mr. Culp said that nearly one-half of the 71 systems he mentioned have specific software maintenance and annual contracts, so every year those must be examined to evaluate whether the service with those is still worthwhile. Each year they scrutinize the system, look at support calls and determine whether to continue the support and maintenance for each package. They have lowered annual costs and stripped all training dollars from the budget. He stated that the department has encouraged the majority of vendors to lower their rates and in some cases has switched vendors, adding that they have utilized web training and onsite training at no cost. Mr. Culp said that when compared to other localities, staffing is thin from both the support perspective and the development perspective considering the number of applications and users it supports. Each year they evaluate staffing and assignments to support specific applications and make staffing adjustments when appropriate.

Mr. Culp stated that benefits and salaries comprise most of their budget as they are a support agency, and without them things would not work very well. He said they ensure that staff is working on important items, and each year they review each position to determine that the work cannot be outsourced to conserve costs or funded in a different way. They define tasks for each position and verify each person as meeting and exceeding expectations. Mr. Culp stated that they try to maintain a standard of one support tech for 400 PCs, and the resource management review pointed out this is "well below the norm for the Commonwealth," which is one per 300 for a local government. He said that the Resource Management Study pointed out that they should consider adding another support tech for the mobile data computers used by public safety, as there is only one person supporting that system at present.

Mr. Culp said that the department has a one-time contingency fund for Access Albemarle, and this money is available when they are in a situation where they have to run the older system and the Access Albemarle system at the same time. He stated they have produced the financial system and purchasing models on this system, but until the HR, payroll, tax and collection systems are moved onto Access Albemarle, the department still must maintain the old system. Mr. Culp said they are making progress so this may be the only year that money has to be used for both systems.

Mr. Culp said that the IT Department's budgeting process is very complex because some of their annual support contracts end at different times. He stated it is easy to simply continue maintenance on hardware and software and maintain positive relationships with the vendors, but they are known to scrutinize every expense and encourage vendors to bring more to the table or reduce costs. Mr. Culp said they have consistently lowered expenses on older systems by renegotiating for lower rates or moving to per-incidence service models. He stated that the best byproduct of the economic downturn has been that all local government departments are finding ways to be innovative and to add efficiency through use of existing technology. Mr. Culp said their environment now is "innovation first," and one of the best outcomes of the resource management review study has been the creation of an IT Resources Team, which is a group of individuals brought in to look at funding and apply innovation in using the existing systems when possible. This cannot be done through IT alone. Innovation is a team effort. This core value of the County is strongly displayed through some of their cooperative systems development efforts.

Mr. Culp emphasized that everyone in IT has been pitching in with departmental operations, such as manning the help desk and calling vendors, and internal customer ratings are good to excellent. He then highlighted some of the overall IT savings, combining reductions and cost avoidance. Mr. Culp stated that IT has a set of solutions and compares it to a purchase solution for each situation, and the numbers presented are conservative cost savings figures. He noted that one of their systems was completely revamped through the PVCC internship program, yielding a cost savings of $16,000. Mr. Culp said that the capital projects tracking system was developed in coordination with Mr. Trevor Henry in the Office of Facilities Development, and it keeps track of updates, files, photographs, budgets and contact information for all major CIP projects. He said the system is saving many hours of filing time and is now self-maintained through that office, adding that they brought in college interns to load the first 20 projects. Mr. Culp stated that they started with 20 projects and now have 49 active projects working within this product, and the system has now been extended to allow tracking of time against each of the projects. He said that the people in Facilities Development now track the time they spend on each particular project, noting that the next big step is getting Community Development more involved.

Mr. Culp said that business intelligence, performance management and data warehousing are all buzz words around tracking performance metrics. The County has participated in a few vendor demonstrations of business intelligence systems and decided against purchasing from off the shelf, and the system used instead is the result of a strategic alliance between key department users, U.Va. interns, and the County Director of Budget and Strategic Planning, Ms. Allshouse. He said that the system tracks key performance indicators for all departments in the organization as a whole.

The General Services Department had seen demonstrations of several work order tracking systems and then asked IT what could be done using existing systems. Mr. Culp reported that IT built a web-based form for General Services that has saved over $35,000 and allows individuals to track requests made to that department, which has eliminated multiple phone calls and has made it possible for them to eliminate a position dealing with room reservations and work orders. He also said that the Police Department's "Share Point" has allowed the officers to do a virtual roll call as they begin a shift, among other cost-savings measures that have saved fuel costs.

Mr. Culp presented a "dashboard" of IT projects, which is updated daily and manages active projects and priorities. He said that the key performance management system measures three indicators – the support request response time, major systems up-time, and network up-time including LAN and internet.

Mr. Thomas asked if the Police and Fire and Rescue also using that system. Mr. Foley explained that they are under a different system for monitoring response times.

Mr. Culp reported that IT has an internal customer survey and presented examples from recent surveys, adding that IT is a high-performing, innovative, lean organization that helps every department excel during these tough economic times.

Ms. Mallek said she is completely floored with the 300:1 ratio, noting that when she did this for the schools the ratio was more like 80:1.

Mr. Rooker stated that what they are doing is impressive and he appreciates the in-depth view.

Mr. Thomas said that he appreciates the information also.

Mr. Culp commented that his staff is very dedicated and they love working for the County.

Mr. Rooker said he was a little bit troubled to hear there is no money for training, as it is extremely important to keep up with current technology.

Mr. Foley stated they are very, very lean, and the five-year plan includes an initiative to put some money back in department budgets for training. He said that the team Mr. Culp mentioned is looking into things necessary for the County to stay on the edge.

Mr. Rooker said that you want to make sure you're not being penny wise and pound foolish, and some things can be automated if there is the personnel in place to help in that regard.

Mr. Foley noted there is a transition happening now as well with Access Albemarle.

Mr. Rooker asked how much time is being spent currently on that project.

Mr. Culp responded that development and operations staff is spending about 70% of their time on that, but it is transitioning well as there are "subject matter experts" in each department to allow them to answer their own questions and be somewhat self-supporting. He also stated that they are hoping to streamline the system so that one person can obtain an answer regardless of what department they ask.

Mr. Snow asked what the condition of the mainframe is.

Mr. Culp responded that it is one of their biggest challenges, and they have a pretty decent support contract with IBM on it. He said that the older software they are running on it is essentially going out of support so the County is basically self-supporting. It is putting a little bit of strain on what they are doing, but they are dedicated to try to move it off and move on, retire it. Mr. Culp stated that they are still under development as to when it could move off.

Mr. Rooker asked if there was a target date for retiring the existing mainframe.

Mr. Foley said that some of that involves getting Access Albemarle online, and there are some questions about the revenue collection software.

Mr. Snow asked what security arrangements are made for the system.

Mr. Culp replied that they spend a lot of time and funds on that and have multiple layers of security – with a semi-annual outside penetration test. He added that up until now they have not had any lost data.

Mr. Snow added his appreciation for what Mr. Culp and his staff are doing.

Mr. Foley noted that when Access Albemarle is finished, there would be no question about its value – as it is a $4 million system compared to $50 million at U.Va. and $15 million in the City.

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(Note: *Due to a scheduling issue with the School Board, Agenda Item No.8 was considered next on the agenda.*)

Agenda Item No. 8. VDoT Revenue Sharing Program, Request for Participation and Recommended Projects for Funding.

Mr. David Benish, Chief of Planning, summarized the following executive summary which was forwarded to Board members:

The executive summary states that as discussed with the Board at its October 5th meeting, VDOT has announced that its Revenue Sharing Program will be available to localities for fiscal year (FY 13) and is accepting applications until November 1, 2011. The Revenue Sharing Program will potentially match, dollar-for-dollar up to $10.0 million, a locality's contribution toward funding of transportation projects.

At its meeting on October 5th, the Board discussed potential projects for use of Revenue Sharing Program funds. Staff recommended to the Board that due to limited Transportation funds available for the local match that the County not participate this year. The Board directed staff to provide an additional list of projects for possible funding under the revenue sharing program, with a focus on sidewalk improvement projects.

The "Revenue Sharing Program" provides additional funding for use by a county, city, or town to construct, reconstruct, or improve the highway systems within such county, city, or town and for eligible rural additions in certain counties of the Commonwealth. According to the VDOT Revenue Sharing Program Guidelines, "the Revenue Sharing Program may be used to finance eligible work on highway systems within a locality. The Revenue Sharing Program is intended to provide funding for immediately needed improvements or to supplement funding for existing projects. Larger new projects may also be considered, provided the locality identifies any additional funding needed to implement the project.

Revenue Sharing Program funds are generally expected to be used to finance project costs in the same fiscal year as issued and projects should be in active development leading to their completion within the near term." The guidelines further state that "all requests for Revenue Sharing funding are expected to be for viable projects with work anticipated in the near future. If Revenue Sharing Program funds are allocated for a project and that project is not initiated within the two fiscal years subsequent to allocation, the funds may be reallocated at the discretion of the Commonwealth Transportation Board." The VDOT threshold for an "initiated" project is that the project is under construction, "out to bid", or a specific bid advertisement date in known and imminent. Enforcing timely expenditure of Revenue Sharing awards is an emphasis of the Program. As noted in last week's staff report, very few of the County's high priority road improvement projects meet this timing threshold. The only road projects which can reasonably meet this timeframe for the FY13 application period are lower priority road paving projects. Likewise, the status of design and engineering work on sidewalk projects as well as the County's capacities for construction project management, limits the availability of projects which can be funded this year.

After consultation with VDOT and the County's Office of Facility Development, the following sidewalk projects have been identified that would meet Revenue Sharing Program fund eligibility and implementation requirements:

1. Crozet Avenue North, from St George Avenue to Ballard Drive (sidewalk and crosswalks)
2. South Pantops Drive from State Farm Blvd. to Carriage Hill Apartments & State Farm Blvd. from Rt. 250 to South Pantops Drive (sidewalks)
3. Barracks Road, City Limits to Barracks West Apartments (sidewalk and crosswalks)
4. Hydraulic Road, from South of Commonwealth to Georgetown Road intersection (sidewalk)
5. Ivy Road, City limits to Kluge Center/UVA Police Offices (sidewalk, bikelanes, drainage improvements)

These projects are from the priority list of sidewalk projects identified in the County's CIP. A more detailed description of each project is provided as Attachment A. Projects 1 and 2 noted above are partially funded and already in the design phase, and therefore can reasonably meet the two-year implementation expectations of the program. Existing funding on the projects can be used towards the match required for program participation. Staff believes that projects 3 and 4 can be underway within the next two years, although right of way acquisition may be needed for the Hydraulic Road project.

VDOT Local Assistance Department staff recommended that the request be submitted as one project (Sidewalk Improvement Plan Implementation)and provide a "sub-list" of projects to be completed with the requested funding, as opposed to making a separate request for each sidewalk project. This would provide greater flexible to use the funds on the candidate projects as needed (for example to address higher bids than estimated, unexpected costs, etc).

Staff opinion is that the sidewalk projects are considered important projects that address comprehensive plan and master plan goals to provide for a multimodal transportation system and a more walkable community. These projects support and encourage the use of existing transit service, provide for pedestrian safety and provide safe and convenience access to schools. Staff believes these projects would be of higher priority to fund than the road paving projects discussed at last week's meeting (see Attachment B).

Participation in the VDOT Revenue Sharing Program leverages matching funds from VDOT to advance important transportation projects. There is approximately $895,100 currently available for the required local match: $655,170 from the Transportation Improvement Program CIP Fund (4-9010-41020-441200-950136-9999) and $239,951 from de-allocated Revenue Sharing Program local matching funds which will be refunded by VDOT to the County this fiscal year. Existing funding already appropriated to the Crozet Avenue North and State Farm Blvd. and South Pantops Drive project would be used as match. As a result of using the existing project appropriations and the de-allocated Revenue Sharing local matching funds, only $106,000 in Transportation Improvement CIP Funds will be needed for the County's match in FY13. This will enable most of those funds to be retained for other high priority transportation projects.

Project	**Total Cost/ Request**	**Total County Match**	**Existing Funding for Match**	**Source for Match**
Sidewalk Improvement Plan Request	**$1,965,000**	**$982,000**	**876,000**	**CIP Trans.Fund ($106,000) and existing funds noted below**
1) Crozet Avenue North	$500,000	$250,000	$124,000	Existing project approp. (CIP sidewalk program)
2) State Farm Blvd/ South Pantops Drive	$720,000	$360,000	$512,000	Existing project approp. (CIP sidewalk program)
3) Barracks Road	$400,000	$200,000	$240,000*	*Revenue Sharing De-Allocated Funds
4) Hydraulic Road	$345,000	$172,500	0	

Staff recommends that the County request funding for the Sidewalk Improvement Plan to complete four sidewalk projects: 1) Crozet Avenue North, from St. George to Ballard Drive; 2) State Farm Boulevard and South Pantops Drive to Carriage Hill Apartments; 3) Barracks Road, from the City to Barracks West Apartments; and, 4) Hydraulic Road, from south of Commonwealth to the Georgetown Road Intersection. It is further recommended that the Board authorize staff to submit a Detailed Description of Funds Form Application to apply up to $1.0 million FY13 Revenue Sharing Program funds requiring a local match of up to $1.0 million.

If the Board approves the County's participation in the Program, staff will prepare a resolution required to be adopted by the Board to formally request to participate in the Program for the Board's consideration at its December 2, 2011 meeting.

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In terms of the South Pantops Drive project, Mr. Benish said they are about $250,000 short, but it is a high-priority project.

Mr. Rooker said that project is a connection, as part of it is done and part of it is not.

Mr. Benish stated they are trying to have that big block on Riverbend Drive, Route 250, State Farm Boulevard and South Pantops connected with sidewalks all around.

Mr. Benish commented that Barracks Road is a new project but it has been identified for about two years, including sidewalks from Barracks Road West west of Georgetown Road. He noted that transit service use to go to The Colonnades, but has since been discontinued there, with the closest bus stop at Georgetown.

Mr. Rooker commented that they did not want to continue receiving transit busses there, so anyone who wants to catch a bus must walk to Georgetown Road.

Mr. Benish said they have expanded the sidewalk project to provide sidewalks from Georgetown Road to the City limits, and they have sidewalks on the north side but not on the south side. There are also bus stops on both sides of the road. He stated that getting sidewalks there now that Georgetown is done would provide a more complete link.

Ms. Mallek asked if he was talking about sidewalk on both the north and south sides of the road. Mr. Benish said there are already sidewalk on the north side up to The Market; this would be for the south side.

Mr. Benish stated that the Hydraulic Road project has been on the CIP list for a number of years and is advancing in importance due to Stonefield's construction. He noted that the fifth project is on Ivy Road, going from the City to the old Kluge Center and the EEC and University building, but it is a more complex project with some railroad right of way issues. Staff does not recommend proceeding with that project at this time. He said that the University has expressed interest in participating, so that might be a more long-term project.

Mr. Rooker said U.Va. has a vision of changing that whole corridor through the "Gateway Project," so that is something the County might participate in sometime in the future.

Mr. Benish stated that this addresses high-priority projects, uses money efficiently, keeps the important reserve of money available and completes some sidewalks – but there is a risk with OFD managing any more projects beyond this list.

Mr. Snow asked if the revenue money has already been set aside through matching funds.

Mr. Benish explained that about one-half of the money has already been appropriated to the first two projects, and VDOT recommended making one application for a sidewalk improvement program which allows flexibility in moving the funds around within the four projects. He said there is local match money of $240,000 that was programmed for Meadow Creek Parkway, not needed, but would be returned to the County. Mr. Benish added that the deadline for application is in November, and staff would need authorization to submit the paperwork based on this concept of doing sidewalk projects and these four projects. He said the resolution of intent would not need to be provided until December, and VDOT has given some reprieve as the schedule has been moved up from the spring.

Mr. Benish stated that the action necessary today is agreement to request funding for a sidewalk improvement program that contemplates completing the four projects as noted, and to authorize staff to submit a detailed description funds form in order to meet the deadline for the FY13 program.

Motion was offered by Ms. Mallek to approve the request as presented. Mr. Snow **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

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Agenda Item No. 6. Recess.

The Board recessed at 4:01 p.m. and reconvened at 4:11 p.m.

Agenda Item No. 7. Joint Meeting with School Board.

SCHOOL BOARD MEMBERS PRESENT: Mr. Stephen Koleszar, Mr. Harley Miles, Mr. Jason Buyaki, Mrs. Diantha McKeel, and Mrs. Barbara Massie Mouly.

ABSENT: Mrs. Pamela Moynihan and Mr. Eric Strucko.

STAFF PRESENT: Dr. Pam Moran, Superintendent, Mr. Billy Haun, Assistant Superintendent for Student Learning, Mr. Jackson Zimmerman, Executive Director of Fiscal Services, Mr. Chris Brown, Senior Assistant County Attorney, and Ms. Jennifer Johnston, School Board Clerk.

Mr. Koleszar called the School Board to order at 4:11 p.m.

The following executive summary was forwarded to the Boards:

In November 2000, the Board of Supervisors and the School Board (Boards) approved a Total Compensation Strategy to target employee salaries at 100% of an adopted market median and benefits slightly above market levels. The adopted market approved by the Boards is shown in Attachment 1.

The Boards have continued to recognize the importance of providing competitive salaries and benefits as an increasing number of employees reach eligibility for retirement benefits every year and staff has continued to adapt to the work of a changing environment. Because it is critical for Albemarle County to focus on retaining existing employees and recruiting skilled new employees, the County's total compensation plan is designed and evaluated in light of those objectives.

This report details the supporting analysis for the recommendations to achieve the adopted Total Compensation Strategy for last year and for the Boards to consider in giving budget guidance to the County Executive and Superintendent for next year. These projections are presented to the Boards for their information regarding the FY12-13 budget process. It is noted that all final funding is subject to, and based upon, available revenues and the Boards' direction. This report provides information on:

1) Compensation Strategies (Attachments 2 and 3)
2) Benefits Strategies: Medical, Dental and VRS (Attachments 4 and 5)
3) Wellness Updates (Attachment 6 and 7)

1) Compensation Strategies

The adopted Total Compensation Strategy, jointly adopted by the Boards, is detailed in attachments 2 and 3. Last year, the projections based on the adopted strategy presented in October were to increase the classified salary scale by 1%, fund a classified merit increase of 2.88% and fund teacher increases by 2.25%. However, due to revenue shortfalls and the prevailing market trend of limited increases, the Boards funded a 1% salary increase for classified employees and a 1.95% increase to be applied to the teachers scale. Additionally, the budgeted medical increase was funded from the Health Care Reserve fund, resulting in a cost savings. As a result of this savings, the Boards were able to provide a one-time bonus payment of $350 to employees.

As the information in attachment 2 indicates, based on a review of our adopted market and the Worldatwork projection of 3%, the actions necessary to achieve the adopted strategy based on the adopted process include a 3.35% salary increase and a teacher scale and step increase of 3%. However, given the continuing state of the economy and the challenges faced by local governments and school divisions, for the last three years actual salary increases have been less than the Worldatwork projections.

2) Benefits Strategies

The adopted Benefits Strategy, jointly adopted by the Boards, is to maintain a benefit program that is slightly above market. Medical insurance and the VRS benefit are the largest components of that benefit strategy. The information provided in the attached Benefits Strategies detail the analysis of those benefit programs and recommendations to remain consistent with the jointly adopted strategy.

In order to comprehensively evaluate the medical plan, staff worked with Keiter, Slabaugh, Penny & Holme, LLC (KSPH) to develop a scoring model based on plan design features, premium costs to employees, and Board contribution amounts. This model indicates that we are slightly above our target, both in terms of employee/employer contribution amounts and in several plan design areas. Over the next several months, the Health Care Executive Committee (HCEC) will consider the feedback gained from employees via focus groups and an online survey while reviewing options to continue bringing the plan in line with our market strategy for the next plan year.

The Virginia General Assembly adopted several VRS benefit plan changes for covered employees hired on or after July 1, 2010. One change stipulated that employees hired on or after July 1, 2010 with no prior service credit (VRS 'Plan 2' employees) must pay their VRS member contribution unless their employer elects to pick-up (in whole or in part) the five percent (5%) member contribution. Based on marked data indicating that most localities and school divisions in our adopted market and throughout the state covered their employees' contribution, last year the Boards elected to pick-up the 5% member contribution amount. Market data indicates that this continues to be the prevailing trend.

An update on wellness programs offered to employees is detailed in Attachment 6 for informational purposes.

These projections are presented to the Boards for consideration in providing direction for the FY12-13 budget preparation. It is noted that all final funding is subject to, and based upon, available revenues and Board direction.

Staff recommends approval of the following:

1. Establish a budget target for providing a 1-2% salary increase for classified employees and teachers. Final recommendations by the County Executive and Superintendent will be based on additional market data and the availability of adequate funding.
2. Use a portion of the Heath Care Reserve Fund to offset any increase in employee premium and to reduce the employer premium costs.
3. Plan for a 7% increase in dental costs.
4. Continue to pick-up the five percent (5%) member contribution for VRS and for VRS Plan 2 employees.

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Ms. Lorna Gerome, Acting Director of Human Resources, said she would be sharing market data on compensation strategies and benefit programs, provide information on some of the challenges they are currently facing, provide information on work being done around the challenges and work they plan to do, and then provide recommendations for the two Boards. She said that she would provide this information in two parts – the first being compensation and then benefits.

Ms. Gerome reported that the compensation strategy was adopted in 2000 and modified in 2004, and their objective was to attract and retain highly qualified and talented work staff to be able to provide citizens the services they need in both local government and schools. She then presented information on the age distribution of employees, noting that about 25% of the workforce is age 50+, with many eligible for retirement. Ms. Gerome said that staff is watchful of that and mindful of their strategy.

Mr. Boyd asked if the demographics of the workforce would have looked different if the data was gathered ten years ago.

Ms. Gerome responded that it probably wouldn't have been much different.

She explained that the compensation targets for classified staff are the market median, with teachers targeted at the bottom of the top quartile. Over the summer they collect market data to ascertain where the County stands relative to the market. Ms. Gerome said that information shows that this year the market moved 1%, meaning the market of 26 peer school divisions, 27 local governments and several private employers – so the median increase amount was 1% for salary increases, which is what the County did as well. She stated that the County started slightly below the market as the last increase was FY 08-09. Ms. Gerome said that they are reaching the target with teachers with every anchor point for which they collect data, which is encouraging given that the strategy was designed to accomplish this. She noted that they have decreased teachers starting salaries since FY 08-09 so new teachers would not be brought in at the same rate as more experienced teacher, so they are closer to the bottom than they have been in previous years.

Ms. Gerome reported that one issue the County is facing with teachers is salary compression, citing an example of an employee hired two years ago at a pay grade 12. She said that because he got the 1% increase, his salary is now $34,722; a woman hired one year later and brought in at the minimum are both making the same thing because of the 1% increase; another employee hired this July at the minimum of the pay grade makes $300 less than the employee with two years experience. Ms. Gerome said it is difficult to hire the talent needed and not leapfrog current employees, so maintaining that internal equity with the staff that has been here and attracting high-quality candidates has been challenging. The real impact has been not being able to hire qualified employees at rates that are not going above current staff.

Mr. Boyd asked if Human Resources ever went to broad banding pay scales, as it has been used quite successfully at the University to solve the compression issue.

Ms. Gerome said that they may try to pilot it and are still looking at it.

She reported that the Worldatwork projection this year is 3%, and since the County started a little bit below market (-.35%) staff's recommendation would be an increase of 3.35%. Ms. Gerome emphasized that Worldatwork hasn't been as accurate for the past three years, but prior to that it had been very accurate. She stated that Virginia is one of the few right to work states in its comparative (eastern) region, so it may be feeling the impact of other states that have unions negotiating pay rates. Ms. Gerome said that anecdotally, increases in other localities have been 1.5%-2%, and she would like to present for consideration establishment of budget targets of a 2% increase for classified employees – which would allow the scale to be adjusted by 1%. She stated that it is important to have some differentiation in what employees are paid and how the scale is moved, and she also recommends a 2% increase for the teacher scale to include step and scale increase.

Mr. Koleszar commented that Worldatwork comes up with their projections in the spring, and it might have led to an over-prediction. He said that when they are off the mark, it may be because of the change between the time of prediction and the time of recommendation.

Mr. Thomas asked about losing teachers to union states and asked if there is comparative data that includes union dues.

Ms. Gerome said that she does not have data showing they are losing teachers to union states, but said it could be driving up the Worldatwork projection number.

Ms. Gerome stated that the benefits target is to have a package that is slightly above market, and they have set it at 105% - which can be difficult to quantify. She said that the primary benefit is health insurance, which is the cornerstone of the benefits package, and using benchmarking data from their consultant shows that the County has no deductible – which is pretty unusual in the healthcare arena. Ms. Gerome said that the plan design, in looking at market data, may be "a little rich." She then presented information on medical premium and cost market data. The employee-only plan showed the adopted market to have an average for the high plan of $56 per month, and said that County employees pay $40 per month. Ms. Gerome said that for individuals, the average employer contribution in the adopted market is $440, with the County's being $587. Looking at family plans, she said, the average contribution is $523 in the market – with County employees paying $371; the employer contribution in the market is $727, with the County contribution at $587. She stated that the County has a set flat rate and does not subsidize an additional amount for dependents.

Ms. Gerome noted that about 42% of County employees have individual only plans, with 58% having family plans, and when comparing to the market the average is $605 per employee per month – so the County's contribution level is not out of line with the market.

She said that there are some areas that are out of line and they worked with the consultant to build a scoring tool to examine some of the plan design elements, the cost to employee, total cost, etc., and ended up at 108% above market. Ms. Gerome said they are going to work over the next year with the Healthcare Executive Committee to align the County's plan in line with the market. She stated that because the health insurance reserve continues to be well funded, they are hoping to reduce the Board contribution somewhat but keep the employee contribution the same level.

Ms. Mallek said that one disadvantage of doing away with the zero on the deductible is that you discourage people from seeking treatment early and when they delay it ends up costing a lot more, and since the County is self-insured it should be looked at very carefully.

Ms. Gerome said she would look into that further, as there may be low amounts that would not have that deterrent factor.

Ms. Gerome reported that the supplemental retirement benefit is phasing out starting this July. She said that two years ago the General Assembly said the employer could pick up the 5% member contribution, but because there wasn't market data available the Board decided to have employees pay that amount. She said that last year when she presented to them, data showed that most school division and local governments were picking up that 5% on the members' behalf. Ms. Gerome shared data from VRS that showed that trend to continue, with most employers picking up the 5%, but some movement within the local government arena to require members to pick that up.

Ms. Gerome reviewed her recommendations as a 2%-increase for classified employees to allow the scale to be moved by 1%; a 2% increase for teachers including a step in scale; funding of the medical insurance increase out of their reserve, decreasing the Board contribution; a 7% increase in dental costs; and continuation of the 5% member contribution to VRS for all employees.

Mr. Thomas said that he thought the new employees had to pay the five percent to VRS.

Ms. Mallek said that was changed back last year.

Mr. Rooker said they tried it the first year.

Mr. Buyaki asked about the impact of the five percent on new hires.

Ms. Gerome said that they felt like they did lose some employees and the County was not as attractive of an employer particularly on the School Division side because it was one of the few entities passing the cost on to employees. She added that it also creates two different salary levels within the County's own employee group, as some would have a 5% decrease out of salary.

Mr. Boyd asked if that is still the case because the University still has employees pick it up. Ms. Gerome said it is still the case with the County's adopted market.

Mr. Koleszar said that he is confused and asked how it could be said that the County is five percent above market when it is paying less for employee medical care than the market.

Ms. Gerome said that the scoring matrix looked at not just costs but at plan design elements such as deductibles, co-pays, prescription co-pays, emergency room co-pays, and when looking at all of that in total it came out higher. They tried to develop this so that they could look at it in a comprehensive way.

Mr. Koleszar asked if that meant that Albemarle County employees are healthier and therefore do not consume as much health care. Ms. Gerome responded that the County has had several good years of claims.

Mr. Rooker said you could certainly draw that conclusion because it is a self-funded plan and if it is offering richer benefits yet the cost is still not higher then you can assume that you are consuming less medical care than others then it is comparable.

Ms. Mallek noted that the wellness programs are well done.

Mr. Rooker said that there is a recommendation that the reserve fund be used to cover some of the increased costs on the medical side, and asked about the size of the reserve and the percent of the reserve in terms of total annual claims.

Ms. Gerome said that the County does target to have 25% in reserves, and right now there is about $4 million above that target.

Mr. Foley stated the County is at 50%, and one of the proposals is to reallocate some of the employer contribution to put the reserve back down to the 25-30% target percentage. He said that it is built into the budget today, so if the Board reallocates it, it is there every year going forward.

Mr. Boyd asked how the proposal for the salary increases fits into the five-year projection, given that the County announced last week there would be a million dollar shortfall.

Mr. Foley said they have always said this process is dependent on revenues, and there is still some uncertainty about that. He stated they are finishing five-year projections now and they may be able to go as high as a 2%, as the reallocation of a healthy reserve in health care gives the ability to consider that. Mr. Foley stated that staff had 1%-2% in their recommendation to provide some flexibility to finalize the revenue picture and reserve fund, then come back and propose how the County can keep up with market.

Ms. Mallek noted that the recommendation is for building a budget.

Mr. Foley responded “yes”. He also emphasized that the healthcare fund is one fund for both local government and schools, and he would be working with Dr. Moran on the proposal.

Mr. Dorrier asked if the reserve would be impacted by the federal considerations to healthcare. Mr. Foley responded that at this point no effect has been seen, and the real changes would not be implemented until 2014 so the consultants are helping to make appropriate adjustments.

Mr. Rooker said that it would be helpful to have figures on the budget impact per one percent increase in salary – for schools, local government and total. Mr. Foley said that one percent for local government employees is just under $400,000. Staff can provide that information.

Mr. Rooker asked if the County has aggregate stop loss insurance or just individual. Ms. Gerome said the County only has individual.

Mr. Rooker suggested that staff look at both individual and aggregate stop loss insurance because the costs do move around. Ms. Gerome said that staff would look at it, noting that they do look at stop loss every year and has raised the limit for the past several years to allow better rate negotiation.

Mr. Boyd said that he would like to receive a report on the pros and cons of broad banding of pay scales, as it is becoming popular among employers. Ms. Gerome responded that they could provide that information.

Ms. Mallek asked about a timeframe for receiving such a report. Ms. Gerome said that HR had already developed a pilot so it would not take more than a month.

Ms. McKeel asked Ms. Gerome if she still felt comfortable using Worldatwork. Ms. Gerome responded “yes”. She added that at this point she feels it is the best available source for aggregate projection data.

Mr. Rooker asked about the cost of Worldatwork. Ms. Gerome said the cost is approximately $100 for membership and the County also gets a lot of survey information because it participates. She added that Worldatwork is so helpful because their information comes out in September, just in time for this meeting. There is not really another good source that the County can get as early as needed for the County budget timelines.

Mr. Koleszar said that Worldatwork is good to use but the County should not be locked into always using their numbers.

Ms. Mouly asked who Worldatwork uses to do their data compilation analysis.

Ms. Gerome said that they have hired staff to do that work. They send out a big survey in the spring to hundreds of employers in the nation – breaking it down by industry and region, which is how localities are able to pull out data for education and public administration sectors as well as regional information.

Mr. Buyaki asked Mr. Zimmermann about the impact of a one percent increase in salary for classified and teaching staff.

Mr. Zimmermann responded that for teachers it is more difficult to provide an exact number and he would have to do further work, but for classified staff it is about $320,000.

(Note: Mr. Dorrier left the meeting at 4:46 p.m.)

Mr. Koleszar asked if the range would be about $600,000 - $800,000 for teachers.

Mr. Rooker stated it would be about $1 million for teachers and schools overall. Ms. Mallek said it would total around $1.2 million. Mr. Boyd said that is pretty close to what it was last year.

Mr. Foley clarified that the recommendation for salary was 1%-2% as there is uncertainty about revenues, adding that staff really wants to get to 2% at some point so the scale could be moved.

Motion was then offered by Mr. Rooker to approve staff's recommendations as follows: 1) establish a budget target for providing a 1%-2% salary increase for classified employees and teachers. Final recommendations by the County Executive and Superintendent will be based on additional market data and the availability of adequate funding; 2) use a portion of the Heath Care Reserve Fund to offset any increase in employee premium and to reduce the employer premium costs; 3) plan for a 7% increase in dental costs; and 4) continue to pick-up the five percent (5%) member contribution for VRS and for VRS Plan 2 employees.

Mr. Snow **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

Ms. McKeel then offered a **motion** to follow staff's recommendation as presented which would be 1%-2% for classified employees. Mr. Miles **seconded** the motion. On a voice call vote, all voted aye.

(Note: Mr. Dorrier returned at 4:49 p.m.)

Mr. Buyaki asked about the cost of Worldatwork and asked how much staff time goes into collecting that data. Ms. Gerome said that it is a professional organization which costs the County approximately $100 but she could come back at some point and provide more exact numbers to the boards.

At 4:50 p.m., Mr. Koleszar adjourned the meeting of the Albemarle County School Board.

(Note: The Board of Supervisors recessed and reconvened their meeting at 4:53 p.m.).

Agenda Item No. 9. Adoption of Resolution: Northern Terminus of Route 29 Western Bypass.

Mr. Boyd stated that the following proposed resolution was provided to Board members earlier and was also made available online for the public's review. Mr. Boyd then offered **motion** to adopt the following resolution:

RESOLUTION

WHEREAS, a task force of community members was convened by Ken Boyd, Board of Supervisor representative for the Rivanna District, to provide input to VDOT engineers on the design of the northern terminus interchange of the Route 29 Western Bypass; and

WHEREAS, the task force has concluded its study and discussion of design issues related to the northern terminus interchange; and

WHEREAS, the task force has identified and voted unanimously to support four recommendations that they consider to be critical to that design; and
WHEREAS, those recommendations are outlined as followed:

- The terminus interchange should be located south of the Ashwood Boulevard;
- The terminus interchange should be constructed entirely on the west side of Route 29;
- There will be no new traffic lights added to Route 29 as a result of the terminus interchange; and
- There will be no u-turns as part of the interchange traffic pattern.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors endorses the above recommendations and strongly encourages VDOT to accept these recommendations as part of the final design of the northern terminus interchange of the Route 29 Western Bypass.

Mr. Rooker said he agreed to support the resolution but had sent out a suggested revision that added, “so long as these recommendations can be implemented while maintaining a design year level of service of no less than C.” He emphasized that that’s the goal of the project.

Mr. Thomas stated that it is in the RFP to maintain it.

Ms. Mallek commented that they wouldn’t mind if it is included here too.

Mr. Boyd said that he is trying to maintain the integrity of the task force. If VDOT said they could not accomplish the level of service without putting in a stoplight, it might be counter to the task force’s request. He suggested that Mr. Rooker include it in his recommendation.

Mr. Rooker said this is a Board resolution, not a task force resolution. He said that he thinks from the Board’s standpoint it is wise to make it clear that they expect whatever changes are implemented not to deteriorate the level of service beyond what the goal is for the project.

Mr. Boyd stated that it is already a stipulation in the RFP to maintain a level of service C.

Mr. Rooker said VDOT can waive things in the RFP, and he does not want to be in a position of having them presume certain aspects are more important than the level of service.

Mr. Dorrier asked what would happen if VDOT came back and said they wanted a new traffic light for safety reasons if the County had said they did not want one.

Mr. Rooker said the only thing he added is the stipulation of the level of service C.

Mr. Snow stated that every item from Mr. Boyd’s task force would help attain that level of service, and said he agreed that it didn’t make a difference to add the stipulation.

Mr. Boyd said he is willing to **amend** his motion to include Mr. Rooker’s suggestion. Mr. Rooker **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

RESOLUTION

WHEREAS, a task force of community members was convened by Ken Boyd, Board of Supervisor representative from the Rivanna District, to provide input to VDOT engineers on the design of the northern terminus interchange of the Route 29 Western Bypass; and

WHEREAS, the task force has concluded its study and discussion of design issues related to the northern terminus interchange; and

WHEREAS, the task force has identified four recommendations that they consider to be critical to that design; and

WHEREAS, those recommendations are outlined as followed:

- The terminus interchange should be located south of the Ashwood Boulevard;
- The terminus interchange should be constructed entirely on the west side of Route 29;
- There will be no more traffic lights added to Route 29 as a result of the terminus interchange; and
- There will be no u-turns as part of the interchange traffic pattern.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors endorses the above recommendations and strongly encourages VDOT to accept these recommendations as part of the final design of the northern terminus interchange of the Route 29 Western Bypass, so long as these recommendations can be implemented while maintaining a design year Level of Service of no less than C.

Ms. Mallek asked about the status of Mr. Rooker’s task force.

Mr. Rooker said the RFP addendum is going out on November 8th and they plan to meet on October 24 to finalize recommendations, to be brought to the Board on November 2 so there is time to get it into the RFP addendum.

Ms. Mallek stated she hoped the task force would address all of the mitigation factors so it is as comprehensive as possible.

Mr. Rooker said the committee is now 17-18 people, and they are trying to incorporate all of the ideas, adding that the idea was to ensure there is a unified group to comment on the contract when it comes back, the environmental assessment when it comes back, the studies as they come back, traffic modeling, and the impacts on neighborhoods as roads and lanes are closed. They have significant issues with how blasting might take place in Stillhouse Mountain and how rock would be removed or ground up on site, which creates somewhat of a quarry operation for perhaps a year in that area. Mr. Rooker stated that the RFP requests 24-hour construction and the task force are planning to ask for that to be changed. He also said they have an 80-decibel limit for the blasting, which is significantly higher than the 60-decibel limit at Rockydale Quarry.

Mr. Foley stated that staff would be providing some assistance in this regard, specifically in examining the technical aspects of concerns. He said that Mr. Jim Utterback has invited staff into the process to allow them a seat at the table as this moves forward. Mr. Foley stated that Mr. Utterback is expecting a second resolution and is expecting staff to be on a team to help keep the Board informed.

Mr. Rooker said that some general language in the RFP is good, such as references to plantings and landscaping and a high level of aesthetics. He stated that the problem is those words do not come to life in a design-build contract whereby it is agreed to take the lowest bid, unless it is requested from VDOT to allocate a certain amount of money to those things. Mr. Rooker added that Mr. Will Riley serves on his committee, and he designed Meadow Creek Parkway in the City and the Monticello Parkway, so he is going to generate ideas as to reasonable cost estimate for landscaping the road. He said that most of the bridges are supposed to have pedestrian paths or bicycle lanes, and there are preferable ways to handle those.

Ms. Mallek commented that this was a step in the right direction.

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Agenda Item No. 10. From the Board: Matters not Listed on the Agenda.

Ms. Mallek said that representatives of Verizon are planning to request multiple special use permits from the Board in their effort to bring 4G service to this area, which would include lots of higher poles. She said it is tricky to have a work session just to get general information separate from the true application process, and she wanted to get feedback from the Board and Mr. Davis on this.

Mr. Boyd asked if there might be future requests from AT&T and other carriers, and perhaps it would make more sense to have one big work session. He said that the County may need to look at the cell tower policy in total.

Mr. Thomas said he had spoken with Mr. Bill Fritz about this as well, and perhaps the policy should be addressed along with information gathering from Verizon. He thinks it might be a good idea to learn from Verizon what they are offering.

Mr. Rooker stated that he met with Verizon representatives individually. He said that the Board does want to ensure that citizens have the best and most up-to-date technology available, but also want to protect the aesthetics of the community so the question is how to achieve both. He said that when the cell tower policy was crafted, the County hired an expert to assist in its development. Mr. Rooker said that the carriers all came in and said they could not provide service with the proposed policy, but the expert found comparative communities in the U.S. that had accomplished it. He emphasized that when the companies present to the Board, they always advocate for the biggest, tallest tower – and he wants to ensure there is more than just the industry perspective on what it would take to get 4G service.

Mr. Boyd said the County should go back to the policy itself, with independent experts as well as industry representatives.

Mr. Davis stated that staff agrees with that position. In order to have a meaningful work session, there needs to be an analysis from staff. The County's policy was intended not to hinder the implementation of the cellular industry – but it is focused on visibility, so if the Board wants to change those standards it should be done comprehensively.

Mr. Boyd said he would rather deal with that approach than try to address individual cell tower requests.

Mr. Foley stated that Verizon has said there would be 20 towers total and they apparently expected to have the applications just stuck on an agenda, so evaluating this is a big deal and he is not sure where it fits on the Board's priority list. Mr. Foley said that some of these applications would be coming forth soon.

Mr. Rooker said he felt it was a high priority, as some of the technology has changed, and the only way to deal with applications today under the current policy would be to turn them down.

Mr. Thomas stated that during the year the County was working on the policy, the Commission could only react to every application brought before them. The Commission had no methodology or any guidelines until the policy was put into effect.

Mr. Boyd noted that there would be a lot of work just in dealing with those applications.

Mr. Foley said he would follow up with staff and determine how to approach this.

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Agenda Item No. 11. Adjourn.

At 5:13 p.m., Ms. Mallek offered **motion** to adjourn to November 1, 2011, 6:00 p.m., Classroom 120 at Darden, UVA's Graduate School of Business, from 5:30 p.m. – 8:00 p.m., for the School/Business Partnership follow-up meeting. Mr. Rooker **seconded** the motion.

Mr. Foley mentioned that it was his understanding that only two School Board members would be in attendance at that meeting, which was intended to be an update on things moving forward as opposed to setting new direction. He stated it would include TJPED, the schools and local government.

Mr. Rooker said when he read the description initially, he had wanted to go, but he is surprised that there are only two school officials planning to attend.

Mr. Foley said staff could get Board members some more information, and it would not be a problem if the Board adjourned to the meeting, but ended up not attending.

Roll was then called and the **motion** carried by the following recorded vote:

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

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Chairman

Approved by Board
Date: 01/04/2012 Initials: EWJ