An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 24, 2015, at 5:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from February 23, 2015.

PRESENT: Mr. Kenneth C. Boyd, Ms. Jane D. Dittmar, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, Ms. Liz A. Palmer and Mr. Brad L. Sheffield.

ABSENT: None.

OFFICERS PRESENT: County Executive, Thomas C. Foley, County Attorney, Larry W. Davis, Clerk, Ella W. Jordan, and Senior Deputy Clerk, Travis O. Morris.

Agenda Item No. 1. The meeting was called to order at 5:05 p.m. by the Chair, Ms. Dittmar.

Agenda Item No. 2. **Work Session:** FY 2015/2016 Operating and Capital Budgets.

- Overview
- Capital Improvements Program.

Mr. Bill Letteri, Deputy County Executive, addressed the Board, stating that this meeting is the first of four work sessions to preview budget revenues and expenditures, with most of the Board's time today spent on the capital program. Mr. Letteri recognized staff for the hard work that has gone into producing the budget, the preparation for the work sessions, and particularly Lori Allshouse, who oversees the budget department and works with her staff to put the work sessions together. He also recognized Trevor Henry who manages project construction and is instrumental in the overall review process with the requests from various departments and agencies. He said Mr. Henry also worked with the Oversight Committee and Technical Review Team. He stated that this had been a particularly challenging year because of the County's new approach to capital, which required moving some resources from capital and making a lot of last minute changes to get to where it is today. Mr. Letteri said there have been some recommended changes which did not get to print, but are ones which staff is recommending as part of this budget, and Mr. Henry would review those.

Ms. Lori Allshouse, Director of the Office of Management and Budget, addressed the Board and recognized staff members, Lindsay Harris and India Adams, who were the "brain trust" of her department. Ms. Allshouse also recognized the Finance Department, which does a lot of work on revenues and is a great partner in the work which staff does to bring the Board a budget each year. She said, in this meeting, staff would provide a brief overview of the budget, then the capital program which is a very important component of the budget. She stated that, on February 26, the School Division will present its budget, and then the discussion would focus on the work done by individual departments. Ms. Allshouse said, on March 3, the Board and staff will continue discussions with those departments and then move into Community Development. She said staff would try to finish as much as possible on that day. She said March 11 is reserved for the Board's final work session, at which time Supervisors would be making its final decisions and move the recommended budget to a Board proposed budget.

Mr. Foley noted that Tuesday is the day that the Board would need to set the tax rate, so staff is trying to get as much review done as possible so the tax rate would need to be set by March 3 in order to meet legal deadlines.

Ms. Allshouse noted that the tax rate to be set would be for advertisement – the cap – so the Board could go under the tax rate but not over when adopting the final rate. She stated that April 1 and 8 are the two public hearing dates, and were split to have one on the budget and one on the tax rate. Ms. Allshouse said staff would recap capital today, then address schools and general government on February 26 and again on March 3. She stated that the County uses a general process which it follows when doing work sessions: presenting materials with some parts highlighted for conversation and discussion, and writing down the Board's questions and comments with the hope of addressing those during the work session time period. Ms. Allshouse said, at the end of the process, staff uses a live revenue/expenditure spreadsheet which can be updated throughout the work sessions and presented to the Board as modified.

Ms. Allshouse stated that staff worked with a total recommended budget, which included all funds – the school fund, the capital fund, the general fund, grant funds and special revenue funds – all of which come together in a total of what the government is funding. She said some of these funds transfer between each other as things move around. Ms. Allshouse stated that total recommended revenues total $370.6 million for FY16, which is 5.3% more than what was adopted in FY15. She said state revenues remain almost flat, with a 1.2% increase; federal revenues at a 1.1% increase; and the use of fund balance is primarily the capital fund balance. Ms. Allshouse stated that there are also general property taxes, which include real estate and other property such as cars, mobile homes, machinery and tools. She said another revenue source for the County is the general fund revenue, with the majority of tax revenues coming into the general fund. Ms. Allshouse presented information on revenue trends, stating that all of those are almost flat from FY07 to FY16, but there was some increase in real estate revenues, which is the largest revenue stream. She said, in terms of the drivers of general fund revenues, real estate was up $6 million, personal property tax was up $648,000, and other local taxes, such as sales, food and beverage, were up approximately $659,000. Ms. Allshouse reported that state revenue coming in to the general fund is actually decreasing, which represents a reduction in the Aid to Localities, however, there has been some good news about that from the state, and this number may change.

Ms. Allshouse stated that, in terms of real estate tax revenues, the tax rate is one penny higher than the current tax rate in this recommended budget. She explained that one cent on the real estate tax rate equals $1.62 million. She said the largest source of revenue is real estate tax which generates approximately $128 million, an increase of nearly $6 million or a 4.9% increase over FY15. Ms. Allshouse said she was asked by one of the Board members to talk about the budget impact of the changes in the real estate taxes. She explained that those taxes are changing based on reassessments, with a 3.6% increase based on just the changes in real estate. She stated that there is a penny dedicated to the fire/ rescue fund as a $1.6 million line item and, when adding those together, it would amount to a 4.9% increase in real estate taxes. Ms. Allshouse presented a chart, which staff had started in 2009 with an average house at $275,000 and staff has watched that house since that time. She said, with the tax rate changes, the home value in the out year was $255,000 and the tax bill was $2,038.00 under the current tax rate. She said, under the new rate, the tax bill would be $2,063.00. Ms. Allshouse mentioned that a few Board members had asked staff to develop a tax rate calculator so any homeowner could see how much they owed based on their home value. She said staff has made that available and it is now on the County's website. Ms. Allshouse explained that tax rates differ and noted that there are a lot of factors which influence what happens with an individual parcel and situation. She said she would share the real estate assessments by parcels by class with two residential classes, two rural, commercial and multi-family.

On the expenditure side, Ms. Allshouse said the Board has a chapter in the budget book which includes descriptions about some of the changes in different revenue streams. She said, on the expenditure side, the total increase is 5.3% overall, with the School Division's expenditures increasing $5.3 million, and General Government's expenditures increasing $6.9 million. Ms. Allshouse stated that the changes include the operational side of the Fire/Rescue fund, the Comprehensive Services Act (CSA), which is shown in General Government but is another shared fund, with schools, local government and the state all contributing. She said the CSA overall increase is $1.2 million with the state providing a lot of that increase also. Ms. Allshouse stated that the Police Department has increased $1 million; the regional jail has increased at least $600,000 and has also been impacted by the reductions in state allocations. She said there is an increase in capital projects, and noted that the revenue-sharing is down. Ms. Allshouse said the General Fund has specific categories so, as staff goes through chapters in the Board's books, they would follow those categories from Administration to Community Development. She said staff would explain specific departmental items in further detail. She mentioned that the transfer to schools increased by $3.9 million over FY15, representing a 3.6% increase for a total transfer amount of $113.7 million.

Ms. Allshouse stated that, with revenue-sharing monies to the City, there is a lag time in making those payments, and that amount has continued to go up every year until the recession hit, at which time, those dollars began to decrease. She said, over the past five years, it has gone down every year which provided the County a nice amount of money to repurpose elsewhere. Ms. Allshouse said the payment in FY16 was based on the 2013 tax base population and tax rate, so the County was running about three years behind. She stated that, if the tax rate in 2012 had been 74.2 cents rather than 76.2 cents, the FY15 revenue-sharing payment would have been $271,000 more, so the tax rate does affect the revenue-sharing transfer a few years out although it may start going in the other direction very soon.

Ms. Mallek said revenue-sharing money is something staff can track carefully, because it is money on the table which the County needs to take into account.

Ms. Palmer asked for clarification of the term "relative tax." Mr. Davis clarified that it is the term used in the revenue-sharing agreement itself, as are the terms: the tax base, the population, and the nominal tax rate. He said, to get the relative tax rate, one takes the proportion of the combined tax rate attributable to the County and attributable to the City so the higher the tax rate is, the greater the relative tax effort; and the higher taxes are, the lower the revenue-sharing payment would be because of the way the formula is put together.

Ms. Palmer asked Mr. Davis to email that information to the Board. She asked Ms. Allshouse when the state is expected to let localities know those decisions and when staff would know how those decisions would affect the County's budget.

Ms. Allshouse responded that the County received some good news recently, including information on the reduction of aid to localities, which would also impact the jail. She said there may be additional compensation provided for raises and assistance to the Social Services Department, the constitutional officers and the School Division. She said she hoped, by the end of the work sessions, to be able to provide a number as to where things were changing, although the state budget has not yet been completed.

Mr. Foley said the General Assembly session is scheduled to end the following Saturday, and scheduled to adopt the budget that Thursday so perhaps, by that date, the Board would have a good sense of revenues and could adopt a tax rate. He noted that the state has not adopted a budget on time for about 15 years.

Mr. Davis said it has actually been 18 years.

Mr. Foley stated that the number provided as an example for the tax bill, the $30, was the impact of the tax rate change – not the assessment – so the combination of the two would be the total of the tax bill increase.

Mr. Trevor Henry, Director of the Office of Facilities Development (OFD), addressed the Board, stating that his colleague, Lindsay Harris, would hand out a copy of his PowerPoint presentation, a project summary and ranking, and an update to an appendix which was in the Board's budget books and corrects an equation error. Mr. Henry said staff selected two projects which were completed in the last calendar year: the Seminole Trail addition and renovation, and the Crozet streetscape. He stated that below that was the Henley gym addition, which would be open for bids in early March. Mr. Henry stated that typically the discussion would begin with revenues, followed by a discussion about policies and revenues, then would move into expenditures but, because of the budget book timing, staff had to freeze the recommendation while continuing to do some more work on it and to collect some updated information from the state, so staff decided to start with the project side and expenditures. He said staff would also talk about strategies to fund some of the unfunded items, and he hoped to get direction from the Board to include some of the items on the list for a final recommendation to the Board by March 11. Mr. Henry stated that Mr. Sheffield asked if the Board would know what was not being funded due to the reduction in transfer, and he said he hoped that would be the case, however, it was a not a one-to-one type discussion. He said the Board would have to look at the collection of changes to projects as well as the debt and revenue models.

Mr. Henry reported that the Capital Improvement Plan (CIP) is the five-year balanced plan starting in FY16 and going through FY20 and one of the metrics staff monitors is a goal to have a $2 million reserve at the end of the five years. He said the out years of six through ten represent what is in the pipeline, however, those projects are not necessarily balanced. He noted that items which do not get approved in the five-year plan based on requests get pushed to the out years. Mr. Henry said a capital budget for a given year is what the Board approves as part of the overall budget during this process. He said, several years earlier, the Board approved the process to do multi-year CIP projects and appropriations, and that is included as part of the chapter on CIP. He stated that staff checks in quarterly on progress and, in the May timeframe, staff comes back to the Board with a recommendation on what would carry forward in the multi-year project span. Mr. Henry said the process for this cycle began in August, noting one change involved adding an earlier meeting with the Board and Planning Commission whereas, in prior processes, staff only touched base after the Oversight Committee had done its review. He explained the review process, and said the Oversight Committee makes its recommendations, which then goes to the Board and Planning Commission for review, with the recommendation then going to the Executive Office. Mr. Henry said, since December, Mr. Foley and the executive leadership team have been working on both the CIP and operating budgets, with a focus on gaps identified on the operating budget side versus the CIP, and tried to focus and delineate between core and enhanced services. He stated that the budget recommendation has been modified from what the Board saw at the end of the Oversight Committee's process and that is to fund critical core services and prioritize CIP obligations, mandates and maintenance requests. Mr. Henry said the recommendation does reduce the General Fund transfer and is equivalent to about a penny. He noted that staff looked at some projects which have had reserves and money that has been sitting for an intended use but had since changed, with some recommendations to liquidate some existing funding to help support the CIP. He noted that staff was also recommending further engagement with the public for the projects not currently in the recommendation, i.e. future projects, new projects, and enhancements such as additions and modernizations.

Ms. Mallek asked if proffer funds designated for a certain project, such as funds for sidewalks at Pantops, would go back into that pot. Mr. Henry responded that they do.

Mr. Henry presented the list of projects as ranked by the Technical Review Committee, and explained the project status key, the ranking by columns, and the final recommendation. He said the other item staff added, after feedback back in the fall, is a column showing net impact to the County, with one of the biggest drivers to the FY16 project total being the Emergency Communications Center (ECC) project, at a total of $18.8 million; the net impact to the County is $9.4 million. Mr. Henry stated that he highlighted the changes from the Oversight Committee's recommendation and, if there was nothing in a column, it meant the project did not make it past that hurdle of review or recommendation.

Ms. Mallek asked what the "REC + CHG" heading meant. Mr. Henry stated that it referred to the County Executive recommended budget book plus additional changes added, so it reflects the most recent data.

Mr. Foley said the Board could consider that to be staff's recommendation, and possibly where the Board could start in terms of staff's proposal.

Ms. Palmer asked if the Red Hill Elementary School modernization project included the library, or if that was a larger modernization request. Mr. Henry said it was the larger modernization request which came in from schools.

Ms. Palmer asked if the library was in this plan as a separate item. Ms. Harris confirmed that it was not in the original request, but was reduced to include the library and core classes.

Mr. Dean Tistadt, Chief Operating Officer for the School Division, stated that it included expansion.

Ms. Mallek said she thought that was supposed to start in year one.

Mr. Henry said he was going to go through the changes which would help explain the chart. He stated that, because there are no dollars in the recommended and changed column, it meant that Red Hill was not in the current recommendation, so that project has been pulled out.

Ms. Palmer asked if the library was within the $1,237,153, and was pulled out. Mr. Tistadt stated that the Red Hill scope of work was taken from a more complete modernization project being done for all the schools, therefore, the library would be improved but not expanded, as the original renovation would have done.

Ms. Palmer asked if the smaller project had been taken out. Mr. Henry said it had been pulled out. He presented a project summary that included the details of the requests and would serve as an addendum to the Board's budget book. He said if the Board had questions about a specific project, Supervisors could click on the 'live' links in the table of contents, and that would take them to the project description as well as what was in the request. Mr. Henry stated that the CIP recommendations focused on core services rather than enhanced, and included all of the maintenance obligations and maintenance replacement submissions which had come through the request. He said there was one modification to the County windows project. Mr. Henry said the projects that moved from the adopted FY15 plan into FY16 were the courts facilities, the ECC 800 MHz system replacement, the Pantops fire station, school security improvements, telecommunication network upgrades and ACE which continues to be in the recommendation. He said Pantops fire station was in the CIP but its funding source is now through the proposed fire/rescue revenue funding. Mr. Henry said the ACE program has been in the CIP at the Oversight Committee level at $500,000 for FY16 but, in staff's recommendation, that has been reduced to $250,000 with nothing beyond FY16. He stated that the CIP, under staff's proposal, focused on core versus enhanced services, and weighing some of the operational needs such as police officers versus Acquisition of Conservation Easements (ACE). Mr. Henry said the inclusion of $250,000 in FY16 still allows the County to get some partial match funding and would allow the program to continue until a referendum was brought forth.

Ms. Palmer said there was a wonderful discussion in the CIP committee about how often the County had done a referendum and how difficult it was. She stated that she was not sure if the Board had ever discussed it but, at some point, she would like that information shared.

Mr. Foley said the Board had asked, during its five-year planning process, for staff to bring back examples of counties that have done a referendum and how that had been approached. He stated that staff had wanted to assess whether there was interest in terms of how they did the budget to pursue that further. He noted that the last referendum was in 1973 for Western Albemarle High School. Mr. Foley said for other localities like Albemarle, such as Stafford and Spotsylvania, it is fairly routine.

Mr. Sheffield asked if staff had a sense of what would be a priority moving into FY17 because, as the Board talks to constituents, Supervisors would need to be talking about future years in addition to the current one and setting up those expectations. Mr. Henry said looking at the rankings would help determine that to some degree. He stated that the projects which were not funded would likely come back with the highest-ranked to continue to rank at that level, such as schools, public safety, and transportation revenue-sharing. He said the Board could already expect what the priorities would be based on what was not currently in the recommendation.

Ms. Mallek stated that there had been discussion in the CIP process about refining the term "maintenance," because that has taken up everything for the last four years, with some of it not really being maintenance. Mr. Henry responded that it would be on the heels of the recommendation, and staff would bring back any changes to process, policies and definitions. He said staff was considering taking maintenance and separating it out to be between core maintenance and modernization, and then comparing it to new additions.

Mr. Letteri said, in recent years, staff has gotten away from saying categorically that something was all maintenance to a point in which they could see the detail of what both schools and local government were proposing which are the actual projects included in the maintenance program in an effort to ensure the Board knows what are truly capital-related items. He stated that much of that is based on facilities assessments done which identify the urgency of need.

Mr. Henry stated that new requests for FY16 that came in the recommendation from Mr. Foley included the Western Albemarle Environmental Studies Academy, which was a two-part project with the first part included this year; Rescue 8, the old CARS building on Berkmar Drive below Seminole Trail, which was now owned by the County and houses an ambulance for the 29 North corridor, with $894,000 for design and construction in the recommendation, funded via the fire/rescue revenue. He stated that staff could not get full CIP funding for blue-ways and greenways, but there were proffers tied to parks and recreation type uses and, during Oversight, staff was directed to see whether some of those proffers could be applied to partially fund the project. He said that project was in the Oversight Committee recommendation as well as the County Executive's. Mr. Henry noted that it was mostly proffer funded, with a slight amount of operating costs that were not covered.

Mr. Foley said staff contemplated whether the project was an enhancement, but the funding was all proffers so it did not make sense to use the funding for anything else.

Mr. Henry said staff felt this would help address some of the quality of life issues raised by the community. He said the overall project was about $1.2 million so this was about half of the scope.

Mr. Henry reported that the Places 29 small area plan was added to the recommendation at $120,000 and was in the CIP request but not funded coming out of Oversight. He noted that the County Executive's Office, in its review, felt the timing was right to pull it forward, given all of the issues being discussed about Route 29 and the Rio intersection in particular.

Mr. Henry reported that the solid waste and recycling solutions project was listed as a new project, but had been in the CIP under the name of convenience centers, so this reflects a little more funding than what was in the original recommendation. He also presented some additional changes, which had been mentioned by Mr. Foley but needed formalization. He stated that one of those was transportation revenue-sharing, pulling funding out of the plan for future funding through referendum. Mr. Henry explained that the changes which allowed for that in FY16 were due to the fact that, in November, the County was on the cusp of making its VDOT revenue-sharing application and received word that they had about $2.3 million of matched money which was available to come back to a project that was in the design process. He stated that Mr. Benish had worked with VDOT on the details of that, and the FY16 request, had it gone to VDOT, was to fully fund projects that were in initial design in FY14 including Rio Road East, Old Lynchburg Road, Avon Street, and US 250 West sidewalks and crossings in the Harris Teeter area. He said the County's request that was about to go to the Board for approval and then onto VDOT asking for a match was to bring that $2.3 million back to fully fund those projects. He said VDOT recommended the County pull the request so it could directly allocate that back to the County for use. Mr. Henry said, in the CIP document that was put out, the $2.3 million did not make it into any spreadsheets, but that is the County's shared match use for FY16 and would fully fund those four projects with design, right of way acquisition, and construction in the 2016 and 2017 calendar years.

Mr. Boyd asked for some elaboration on those projects, as he was not fully aware of what they were. He said he was thinking about how badly the County needs a way to cross Route 29 and Route 250 to connect the development areas and make them an attractive place to live. He noted that the County was getting ready to spend $2.3 million on sidewalks to nowhere, when people cannot even get across those streets.

Ms. Mallek said those projects all have a crossing element and added that the Route 250 one had already killed three people.

Ms. McKeel stated that she had understood from staff that there was not enough money to complete Barracks Road and Hydraulic Road projects, and the amount required was only around $300,000. She said she agreed with Mr. Boyd that perhaps the Board should have a discussion about the $2.3 million.

Ms. Mallek said the projects shown here had been in the plan for three years, working its way through, so those are a whole year ahead of the other ones.

Mr. Foley stated that the question Board members seem to have is what the flexibility and the use of this money is which has now come back to the County from VDOT. He said the Board could reprioritize some of the other projects if those met the criteria which VDOT had set in giving the money back to the County.

Mr. Henry said his understanding was that the requirement would be to allocate it to a revenue-sharing project that has been already approved, designed and underway.

Ms. Mallek said these three exact projects had been on the Consent Agenda two or three times over the last six months.

Mr. Davis said there was a deadline set by VDOT which Mr. Benish would explain.

Mr. Henry stated that these projects were not just randomly picked and are ones that have been on the priority list of sidewalks and connections for years.

Mr. Boyd said he did not doubt that, but some priorities needed to change and the County needs to start thinking about how it can connect neighborhoods to shopping centers in the development areas, which was something he heard consistently from Forest Lakes and Hollymead. He mentioned that there had also been people killed on Route 250 East at Pantops.

Ms. McKeel stated that it was just a matter of how the County can take the money and make it work best.

Ms. Palmer said, with this particular situation, the County needs to have the projects already in motion to get the money.

Mr. Foley said Mr. Benish would need to comment on how much flexibility the County has.

Mr. David Benish, Chief of Planning, explained that the four projects which used the $2.3 million had been on the Board's priority list for a long time, and had been revenue-sharing projects for several years now. He said VDOT pushes this funding program to get the monies expended within four years, but would allow exceptions if localities are actively working to complete the projects. He noted that the County has a fair amount of money invested in these four projects already. Mr. Benish said one of the reasons, in addition to having the windfall from the Meadowcreek Parkway projects, is because VDOT discouraged the County from applying for new revenue-sharing funds because Albemarle already had so many projects in the hopper and under construction but not completed so VDOT strongly suggested getting those done first. He stated that he felt the projects currently under way are important as they provide access to transit, Region Ten and elementary schools, and would have crosswalks with them. He said staff had hoped that the $2.3 million could be used to work on other projects such as sidewalks in the Fontana area, the Rolkin Road crosswalks and so forth. Mr. Benish said, in terms of the timing mechanism, the County is invested in the revenue-sharing projects, and it is important to VDOT that the County brings them to completion as it helps with future requests.

Mr. Sheffield asked how this relates to the line item in the capital budget already appropriated to date, i.e. the sidewalks, Rio Road, Avon Street.

Mr. Henry said the $2.3 million is in addition to the money already appropriated.

Ms. McKeel asked for some additional details on how the projects are selected, as there were sidewalk projects to connect neighborhoods for walkable communities but, all of the sudden, the projects have to be scaled back. Mr. Henry explained that the Barracks Road/Hydraulic project, for example, would include a VDOT process with a public hearing whereby neighbors and the public would be invited. He explained that part of the cost is the requirement of public hearings and was basically VDOT's program which must be implemented. He said staff learned, when the project was about 60% designed, that there were some cost increases related to a sewer line relocation which had not been planned for, and it was likely the County would have to acquire a parcel in order to build a full facility. Mr. Henry noted that those two drivers alone totaled $200,000 which were not in the original cost estimate and, in addition, there has been some market creep and the need for more pavement. He stated that staff wanted to get feedback from neighbors to prioritize the stretches of sidewalk in order to look at either design elements or proffers so the projects could get back within budget. Mr. Henry emphasized that the County was not saying this project was not going to happen.

Ms. McKeel stated that the message the County was giving the community was that they needed to prioritize the three sections, because one of them would likely not happen given the amount of money. She said her point was that, once again, a project is being cut back because suddenly the County does not have funding. She stated that she would like to explore whether there was enough funding to get the project done in a complete way, rather than scaling back.

Mr. Boyd said seven years ago he and Chief Dan Eggleston attended a meeting of the Pantops Advisory Council for the fire station that was to be built the following year and, seven years later, it may finally get built. He stated that perhaps staff might want to bring projects back to the Board, rather than moving forward with them, so Supervisors can reevaluate the priorities.

Ms. Mallek said these things have come back to the Board several times in the Consent Agenda.

Mr. Foley clarified that, each year, staff provides the Board information on re-appropriating project money, and every project is outlined in the amount of money awarded. He said the point that the Board is making is that priorities may be changing, and perhaps this was an item that staff could bring back to the Board. Mr. Foley stated that Mr. Benish said those specific projects needed to move, but Ms. McKeel was also asking for a solution on the sidewalk projects she had mentioned. He said Mr. Boyd's issue was related more to pedestrian access, which was not a "shovel-ready" item, and Ms. McKeel was stating that she would prefer staff not continue to scale projects back to the point those do not have the intended benefit.

Ms. McKeel said these projects are trying to get people to schools and across the street.

Ms. Mallek said the projects being funded are doing exactly that, with the Avon Street project serving to get students across the street to Cale Elementary. She said the grant for the Crozet sidewalk crossing at the elementary school was awarded five years ago, with the first part going to construction and the second part just now going to bid. She noted that these projects always get changed, adding that staff had to redesign when they found out they had to relocate a sewer pipe so the County must be resilient and understand when things need to be redirected. She stated that throwing everything out when there were projects underway was a big mistake. Ms. Mallek said she was very much in support of keeping the match funds in for this year, as it was the only way to get anything else added to the list.

Mr. Foley asked if the Board was comfortable leaving the $2.3 million in for the projects that were at the top of the list, ones which had already worked through the list and those which staff had invested in planning and design, or if staff should bring back more information. He said Ms. McKeel's issue was a different matter seeking a solution. He stated that there may be some possible opportunities in the CIP to reallocate some fund balance to ensure that projects get done as planned.

Mr. Sheffield said it would be helpful to have staff better articulate how funds would trickle into the three different projects and whether that money would fund those projects, or if the County would just be sitting on money waiting for completion.

Ms. Mallek commented that these projects were able to be completed.

Mr. Foley said, in the Board's strategic plan about eight years earlier, there were pots of money for revenue sharing for fifteen different projects, and the Board decided to take a new approach, e.g., releasing all of that funding and putting it on the Meadowcreek Parkway, Georgetown Road, and Jarman's Gap, all of which were completed because of that change in direction. He stated that, as the Board continues to discuss this, there is an opportunity for Supervisors to have an influence on the CIP.

Mr. Henry stated that he had a small report that shows all active projects, all activity underway and includes appropriations to date in addition to what is needed to complete the projects. He said the Northside sidewalk was ready to bid, and the South Pantops sidewalk was waiting for one easement in order to bid, so those were funded and almost construction-ready. He said Hydraulic Road is at 60% design with a small gap of funding to work through, but should be done in the next few weeks. Mr. Henry stated that the projects for Old Lynchburg Road and Rio Road, Avon Street and Route 250 were in early design, as was Ivy Road, and he would help define those projects a bit more for the Board.

Mr. Foley said the overriding statement here seems to be that there is a big issue as to how the process would be done in the future, but he assured the Board that the County is not abandoning the things that make sense or are already underway going forward.

Mr. Henry commented that the County has a lot of sidewalk projects that would be executed over the next three years.

Ms. Palmer said, in using the Ivy Road project as an example, it has the appropriated $1.2 million, and $38,000 in FY16 but absolutely nothing else for the remainder of the five years. She asked if this meant the project was taken out for the next five years. Mr. Henry responded that the Ivy Road project is a multi-year project, and is expected to be carried forward those funds that are not spend this fiscal year. He said these are active projects which will be reported to the Board in May.

Ms. Palmer asked if the $38,000 would be carried through, or is it the $1.2 million. Mr. Henry said it would be $1.2 million less what is spent, and the $38,000 amount represents an estimate of project management fees for FY16 and beyond.

Mr. Letteri said the expectation is that, by FY16, the entire project would be finished, and there would no longer be a need for future funding.

Mr. Foley stated that there was nothing being done to abandon that project.

Mr. Henry said the Ivy project would carry into FY17, due to a right of way acquisition process. He noted that the transportation revenue-sharing projects are three or four-year projects because of the requirements for them.

Mr. Sheffield said the confusion is because there was nothing listed for FY17, 18 or 19. Mr. Henry explained that there is a different intent than this year's request.

Mr. Foley stated that those are projects that have already been funded, the monies have been appropriated. He added that those projects are in the process of getting completed, so nothing in this budget is proposing cuts which would take the money away from those. He explained that the money had been previously appropriated and was simply being carried forward until the project is finished. Mr. Foley said he discussed with Mr. Letteri the possibility of putting the funding in FY17 to show the balance coming forward so the public could see that projects like Ivy would get done in FY17. He stated that, with the CIP, projects are done as multi-year projects, not in a single year, however, not seeing the funding does lead to some confusion, but there is enough in the balance.

Mr. Sheffield said that was not true for Rio, Avon and Route 250, because there is nothing in the future years, however, it is clear the money is needed for those projects.

Mr. Foley stated that it was because it had just occurred in November, and is an adjustment which will be made.

Ms. Palmer asked if something like the Red Hill School library, which had been in the CIP for many years, had ever had money appropriated. Mr. Henry responded that there had never been money appropriated to it.

Ms. Mallek noted that it was a prioritization which had been brought forward by the School Board.

Mr. Letteri stated that the Board adopted a five-year plan, but only appropriates one year at a time.

Mr. Foley said the only projects previously funded which would now not get done are those called "liquidated," and there are just a few of those.

Mr. Henry reported that the school modernization project from the Oversight Committee recommendation was reduced to $3 million in year one and $3 million in year two. He said staff was recommending the change to $1 million in year one with the hopes of a referendum for future funding, a different funding source, or reconsideration in the CIP. He said, to help with that, the School Division identified the school bus replacement program, currently at $1.5 million a year, of which $300,000 is funded from the state, and replaces 15 busses on average. Mr. Henry said schools felt the actual replacement could be extended a bit and perhaps reduced to help offset the modernization request. He stated that the McIntire Office Building window replacement project came in about mid-process, and staff felt it could be delayed a year so General Services could get an updated study. He said there would be a much better idea of costs heading into the next CIP cycle. Mr. Henry noted that the design and construction were pushed out one year, so it would be in year two and three instead of one and two.

Mr. Henry reported that staff received some good news from the Virginia Public School Authority, which is the primary state mechanism for funding school construction, noting that those two bond issuances have been refinanced which resulted in a refund coming to the County over five years, totaling almost $750,000.

Ms. Mallek asked if that would come to the County as $125,000 per year. Mr. Henry responded that the state had provided a schedule, and staff has already plugged those dollars into the model.

Mr. Henry said, because a lot of the projects in the out years had been pulled out, the project management fees which accompany those projects has also been pulled out. He said some of those projects would likely come back through referendum or other means. Mr. Henry stated that, in terms of liquidations, there are three CARS ambulances which were in the plan and have been carried forward.

Mr. Foley explained that the reason the ambulances were liquidated was because the vehicles had been approved in the budget for five years, but the City had not wanted to co-title with the County, which was being required for all of the other agencies. He said, in the meantime, over the five years, CARS has had the fundraising to replace them. He said, if CARS comes back, the County could reconsider but, at this point, that has not happened.

Mr. Henry said the second item suggested for liquidation is the Places 29 master plan money at $1.1 million that was identified and has been carried forward to cover work on Berkmar Extended which is now work being done by the state. He said that frees up a resource which could flow into the CIP.

Ms. Dittmar asked if that money was in addition to what has been allocated by the County for signalization and other Route 29 projects. Mr. Foley said it was, and noted that all of the savings have been accounted for in what he shared with Ms. Dittmar.

Mr. Boyd asked if that money had already been allocated in the current plan. Mr. Henry confirmed that it had been.

Mr. Boyd said if he had been asked about it, he would have suggested building an overpass between Forest Lakes and Hollymead Town Center.

Mr. Foley said staff is asking the Board presently and, in the same way staff puts a recommended budget together and the Board changes it, if the Board wanted to make adjustments, it could.

Ms. Dittmar said she would like to know if the $1.26 million includes the master plan, or if the figure needed to be re-upped to include that.

Ms. Palmer asked what the figure was for the master plan. Mr. Henry responded that it was approximately $1.1 million.

Mr. Foley said that was not the cost for the master plan, it was the cost of infrastructure to implement changes in the development area that would come out of a master plan, but there is no master plan, there are no plans or no details and is the reason staff was recommending that it be liquidated. He noted that the County used to have infrastructure money set aside in the CIP for each of the development areas and, as master plans were done, the County could start to do some projects but, after the recession, the only thing left was the Places 29 money, and there were no real plans for that either.

Mr. Henry reported that the landfill remediation fund had built up a contingency of approximately $832,000 in cash which was liquidated to support the $1.2 million in the plan for solid waste recycling projects.

Mr. Foley reported that the County has met all of its obligations to Rivanna, and ended up being more money than was needed over the years.

Ms. Palmer stated that the additional over that was $400,000 for one convenience center.

Mr. Foley said there was separate money in a line item for convenience centers. He said the remediation was the Rivanna money, which exceeded the County’s obligation. He noted that there was, at one time, money in the budget for recycling centers around the County.

Mr. Henry stated that the Board had discussed the zeroing out of transportation revenue-sharing money earlier in the meeting, and also the acceptance of Meadowcreek Parkway money as part of the plan.

Mr. Foley said what is before the Board is staff’s proposal, and are items for the Board to decide.

Ms. Palmer asked about improvements for Red Hill’s library and associated costs.

Mr. Henry presented a graphical depiction of the five-year requests and associated categories, with a recommended total of $158.8 million over the five years, an increase of approximately 1.7% from what was in the Board’s budget book.

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Recess. At 6:34 p.m., the Board took a recess, and then reconvened at 6:46 p.m.

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Mr. Henry explained that the request which came from Schools for the Red Hill modernization does include the media center renovation, and was contained within the total request.

Ms. Allshouse addressed the Board, stating that she would present to the Board on revenues for the County. She explained that there is a reduced general fund transfer over to capital because it had been redirected to Schools and Local Government in an effort to support core needs. She said additional funding above the transfer was required to meet debt service in FY17 and FY19 in order to maintain a positive capital program. Ms. Allshouse said the transfer adds dedicated revenue for Fire/Rescue projects from the Fire/Rescue fund; continues dedicated revenue for water resource projects; supports some expenditures in operating as well as some capital; and adds a transportation revenue-sharing program.

Mr. Boyd said he had two constituents ask him whether the one-cent tax increase was going to be split 60/40 with the School Division or would it go solely to the CIP.

Ms. Allshouse stated that the one-cent tax increase would not be for the CIP, because the penny raised would be dedicated to the Fire/Rescue fund.

Ms. Allshouse presented a model that Mr. Letteri had created, which showed debt and CIP, and also showed the transfer coming in from the General Fund. Ms. Allshouse said, for FY17, there is the equivalent of a two-penny increase needed to cover debt payment, which is something that has been in the model for some time. She stated that the model includes existing debt service, projected debt service, and other debt service revenues. Ms. Allshouse explained that the first thing the County must do is pay its debt, but there is another line to accommodate incoming revenues, so the debt might be $18.6 million, however, the revenues would be $18.8 million due to other revenues coming in. She said, after the County pays debt service, funding that might be available to go into the CIP for equity or cash funding would go into the CIP as the cash piece.

Ms. Allshouse reported that $13.4 million is the beginning CIP fund balance. The County also has borrowed proceeds, other CIP revenues, proffers, grants and other sources. She said, after totaling up all of the revenue, the total is $55.5 million in FY16, with $48.9 million in projects which becomes the beginning fund balance for the next year. Ms. Allshouse said staff continues to program the projects and revenue coming in, with the goal of keeping a $2 million balance in the out year.

Mr. Letteri said the other CIP revenues will be unusually large in FY16, primarily because of contributions from other partners for the Emergency Communications Center (ECC) project. He said staff does program fund balance contributions in out years at $1 million per year.

Ms. Allshouse noted that the fund balance is from the General Fund, which is programmed in as an assumption that there would be something left at the end of the year.

Mr. Boyd stated that the Board's policy is not to maintain $2 million every year, but to maintain it in the fifth year out.

Ms. Allshouse said, as Budget Director, she would like to see a higher number which would slowly go down, but staff is basically watching the bottom line to ensure the $2 million in the out year.

Mr. Boyd noted that doing so meets the Board's policy statement and helps the County retain its AAA bond rating. Mr. Letteri agreed, adding that the County's advisors have looked at this to ensure it is supportable.

Mr. Foley said the balance is actually a guideline and a goal rather than a formal policy which the rating agencies would look at for adherence to it.

Ms. Mallek asked if the County was limited to borrowing $1 million, since that was all the cash the County would have to pay for it. Ms. Allshouse said that was not necessarily so, as that represented the cash left over after doing transfers and paying debt.

Ms. Mallek said that was for the current plan, however, if the Board wanted to do something more, it would limit what it could do because that was the cash that was available in the projections.

Ms. Allshouse said that is the case in this model, as presented.

Ms. Allshouse reported that, in the Board's budget document, there are approved policies for the County, i.e., for debt service, for capital, for budgeting of operating practices. She said those are approved policies and ones which the Government Finance Officers Association (GFOA), bond rating agencies, and the County's financial advisors look at. Ms. Allshouse noted that the Board has both policies and practices, such as adopting a multi-year budget and, in the past, the County has done more projects with cash funding on the local government side, but not on the school side. She said the Board's equity funding goal is that the budgeted net transfer to capital after debt would be 3% of General Fund revenues. She noted that, currently, the County is not meeting that goal.

Mr. Boyd asked if the 3% included short-term maintenance projects which the Board has paid cash for anyway because it did not want to depreciate those over a long period. Mr. Letteri said the County currently funds a major portion of those projects in cash.

Ms. Allshouse stated that the County only borrows the useful life of a project.

Mr. Letteri emphasized that the goal of 3% is really about the difference between the transfer and the County's debt service. He said it did not mean that it was all the cash equity the County had in its program. He said staff looks at their program very carefully to ensure the County is in a strong equity position. He added that it is more of a measure of the extent to which the County is leveraging that transfer.

Ms. Allshouse pointed out that it is a goal, not a policy, but something of which staff has been mindful.

Ms. Mallek stated that, historically, leading up to 2008 or 2009, there was always three cents designated to capital, and now the County has to work really hard to get back to that.

Mr. Foley noted that this issue is probably the best reflection of the struggle with the CIP over the recession years.

Ms. Allshouse presented information on the General Fund transfer allocation to debt and capital, noting the net General Fund transfer to CIP, which showed cash equity and debt service. She noted how much of the transfer had gone to debt versus cash equity and, currently, it covers mostly debt, with cash equity built in the out years.

Ms. Mallek stated that she appreciated all of the hard work that staff put in to avoid a situation where the County has to borrow money for operations.

Mr. Foley said that would be a major problem with the County's AAA bond rating. He said the goal is to retain 10% of the total budget in cash reserves.

Ms. Allshouse presented the total five-year CIP, stating that it is balanced at $158.8 million. She pointed out the state revenue, local revenue, general fund transfer, use of fund balance, and other transfers coming in. She said, in many jurisdictions, debt service is considered an operating expense, and long-term debt is one funding source for the capital program. She added that financing projects with debt supports a matching principle such that the projects are paid for over the useful life of assets by those taxpayers, rather than paying in cash all at once. Ms. Allshouse explained that the County employs various types of debt vehicles: lease-revenue bonds, general obligation bonds through the Economic Development Authority (EDA), the Virginia Public School Authority (VPSA) funding through the state, and bonds issued through referendum. She stated that the County attempts to maintain a 10-year payout ratio at or above 60% and also at the end of each adopted five years for tax-supported debt and lease payments. She said, when the County finances capital improvements or other projects, it repays the debt within a period not to exceed the useful life of the project and the County sets target debt ratios that would be calculated annually including the analysis of fiscal trends. Ms. Allshouse stated that the two parameters staff watches is that the debt as a percentage of the estimated market value of taxable property shall not exceed 2%; and the ratio of debt service expenditures to general fund and school fund revenues shall not exceed 10%.

Ms. Mallek said, several years ago, Courtney Rodgers from Davenport and Company came before the Board and talked about how the County had been too aggressive for many years and had lost the ability to do things because it was so determined to pay everything off in five years. She said she thought the County had backed down on that aggressive stance so it could build some things. She asked if the County was still taking that moderate approach.

Ms. Dittmar said she would qualify it as conservative rather than aggressive in terms of handling debt.

Ms. Mallek said Mr. Rodgers described it as being wasteful, because inertia was holding the County back from doing anything.

Mr. Foley said that has been changed to the maximum extent, which is how the County moved forward with the Crozet Library and some other projects.

Ms. Allshouse said the County was doing a bit better than the five-year payout ratio.

Mr. Letteri said sometimes the speed at which the County pays things off depends on the number of projects that have short-term lives. He noted that, a lot of times, the County would have seven or ten year projects that sped up the rate at which debt was paid down.

Ms. Dittmar said that was a conservative choice the County made, and these were all policies.

Ms. Mallek said the locality must follow the rules about not borrowing longer than a project was going to be used.

Ms. Dittmar said it is the County's policy, not a rule. She stated that she viewed the County as being incredibly conservative in terms of ever using leverage with regard to building things. She said she was more comfortable having more schools built and getting things done without always using cash.

Ms. Mallek said it was the same principle as buying a car on a five-year loan versus a three-year loan.

Mr. Foley stated that his discussions with staff are usually about being conservative but not ultra-conservative. He said the County was definitely not ultra-conservative in its approach, but agreed that was the case previously. He said that change has been made, and the County is now at a place that was recommended by its financial advisors. He said the County does have some capacity for debt and is well below its own policy and that of other AAAs, however, it is really a matter of how the County services that debt, whether the tax rate and revenue is strong enough to pay back the debt in order to borrow more.

Ms. Dittmar said she did not want to discuss this too much, because the Board would have to completely reorient the way it does capital budgeting. She said the County is currently on a cash pay-as-you-go system, adding that the County would need to shift to use that cash or at least a portion of it for debt service.

Ms. Allshouse stated that these discussions are good topics to bring into the conversation as the Board begins to think about its long-range financial planning.

Mr. Foley noted that the County was not quite as conservative as it appears, but it was a good point to bring up in the Board's discussion of how to maximize getting services to citizens.

Mr. Boyd said the Board has talked about maintaining a $2 million fund balance, however, it has allowed that balance to drop below that level because, in the long run, the Board was still sticking with its long-term policy.

Ms. Allshouse presented information on outstanding debt as a percentage of the County's assessed property, with Albemarle at about 1% which is well below the AAA group, and she pointed out the maximum rate per Board policy. She said there is still some room with the debt as a percentage of market value of taxable property. Ms. Allshouse presented information on Board policy regarding ratio of debt service expenditures to the general and school fund, noting the maximum set as its policy, the AAA level, and where Albemarle currently stood.

Ms. Palmer said when the Board has asked in the past about moving that up, staff has said that this was the appropriate cushion to have. She asked staff to comment on that.

Mr. Letteri said the Board would certainly want some level of cushion and not be right up against the line because, when emergencies occur and it becomes necessary to fund certain projects, that buffer is needed.

Ms. Palmer asked if targeting the average would be enough of a cushion.

Mr. Foley said the big issue is, if the County is right where the AAAs are, that is great but, if the County gets above that, there would be problems. He said there is some cushion, but that cushion represents the County's ability to borrow more and service that debt. He said there is not enough revenue coming into the CIP to move that up. He stated that, if revenues grew very strong the next year beyond projections, the County could borrow more money and do more projects that it needs to do. Mr. Foley said the issue of how conservative the County is has more to do with what it can afford based on the revenues that are generated.

Mr. Boyd noted that staff just talked about a two penny increase on the tax rate just to meet debt service in FY17.

Mr. Foley confirmed that there would be two pennies in the second year and two pennies in the fourth year just to meet what is in the CIP.

Ms. Allshouse explained that the County had planned to fund the majority of its currently recommended CIP from FY16-20 using borrowed proceeds which would add $124.4 million in debt over the next five years but would retire $71 million in existing debt over the next five years. She stated that the bottom line is that the County would have a debt balance of $173.5 in FY16, $159.2 in FY17, $184.0 in FY18, and $164.9 in FY19, and $195.5 in FY20.

Mr. Henry stated that the CIP, as recommended, would fund about 50% of what was requested for the five-year period, including a lot of critical items. He noted that there was a continuing trend of a lot of good requests which the County does not have funding for. He said the plan, as it stood, did require additional resources just to cover debt service. In their research, he said a referendum and putting a plan together was the favorite option in order to find ways to get some of the other projects included. Mr. Henry said staff felt a lot of the requests that were unfunded would meet the eligibility for referendum, i.e., schools, parks, library facilities and public safety. He said there definitely needed to be a change in the game plan to get some of these items in.

Mr. Foley said staff would be interested in any direction the Board wanted to provide about referendums, adding that adjustments could certainly be made to the CIP.

Ms. Palmer said she was concerned about the whole idea of a referendum because, based on previous discussions, there was some concern about never putting anything up for referendum which

Supervisors did not absolutely need because, if it failed, it would put the Board in the position of throwing a particular program out, or waiting another 10 years and bringing it back to see if life was different.

Mr. Letteri stated that, in staff's review of this, those projects that were thought to be good candidates for referendum were those which were not considered absolutely essential. He said the intention was to identify those programs which were non-critical i.e., enhancement projects such as Acquisition of Conservation Easements (ACE), revenue-sharing, or perhaps a library.

Ms. Palmer said ACE is one of the few programs the County has which helps people who are land-rich but cash poor. She stated that the County does not have very many of those programs, adding that wealthy people can get conservation easements. Ms. Palmer said her understanding was that Albemarle had one of the more lax policies with respect to land use, and ACE was one of the few things the County does to help lower income people stay on their property. She said, if the County puts that up for referendum and it dies, it would be out and the County would not be able to do it.

Ms. Dittmar said a referendum allows the County to go out and ask if bonds could be issued and, if citizens say no, it did not preclude the County from continuing to follow the cash, pay-as-you-go process, so it is really just a different model of financing which requires citizen permission. She said, in her days on the Chamber of Commerce, the lodging tax had a portion that had to go back into tourism, and a portion of that was dedicated to ACE. She stated that the business community supported that because they felt scenic byways and beautiful landscapes were part of what drew tourists here so they considered it a legitimate expenditure.

Ms. Mallek noted that the amount was $400,000.

Ms. Dittmar asked how the County was fulfilling its obligation to put lodging tax back into tourism if it was not funding ACE.

Mr. Davis said 3% of the 5% was required to be dedicated to tourism or tourism and travel-related funding. He stated that, at one point in time, a portion of that money was dedicated for ACE projects that qualified for tourism values. He said a portion of that funding was shifted during the recession to fund other tourism-eligible funding items, primarily in parks and recreation.

Mr. Foley said that was considered a higher priority than using it for ACE because there were struggles in funding Parks and Recreation Department. He added that getting voter approval might ultimately be a stronger commitment to ACE.

Ms. Mallek stated that there were three years when the County had a dedicated penny to ACE, with 1,000 acres per year.

Mr. Foley said the County did it that way for a number of years and, as struggles came and the County needed funding, the Board shifted the priority over to core items and Parks and Recreation, which is where the County is today.

Ms. Palmer asked what percentage of Parks and Recreation is funded by tourism money. Mr. Davis said 1.5% of it, by formula, goes to the Visitors' Bureau, so he assumed it was the other half of the 3% that is used for other County general fund needs.

Ms. Mallek said there was $400,000 in the ACE budget that went to tourism, and it only went to properties that qualified.

Mr. Boyd asked if the $2 million set aside for the YMCA could be put into a referendum. Mr. Letteri said that would not be something the County would want to borrow for because it would be a facility the County did not own.

Mr. Davis said it would be legally possible to have a referendum because a referendum would allow the County to do a general obligation bond for which it did not need collateral. He said full faith and credit of the taxpayers are what supports the bond rather than a collateral, which is what is done when financing through the Economic Development Authority (EDA). He stated that it would be unusual to borrow money which would then be made as a donation to a third party.

Mr. Boyd said he was interested in getting feedback from the public on that funding.

Mr. Foley said that could be put on a referendum.

Ms. McKeel said it would be helpful to have a discussion about what to take to referendum to free up some money for things like ACE, which she did support. She stated that what is really supported in the community is education, and suggested that the Board might want to consider items like school upgrades and parks and recreation facilities for referendum. Ms. McKeel said the County has about $60 million in facilities, and she would need to know more about what a referendum would entail and what could be grouped together to make it work. She stated that she wanted to support ACE, but did not feel it belonged in a referendum. She added that the Board should look at things that the community could wrap their heads around and support.

Mr. Foley said the decision to do a referendum and what projects would or would not be included was something the Board could discuss after the budget process in a work session with the County's financial advisors and could include research on how other localities have approached it. He stated that, in the current budget though, there are certain things which are not funded, and the question is whether Supervisors want to make adjustments in the budget to fund things like ACE which it feels did not belong in a referendum and then figure out how to adjust the CIP to get those funded. Mr. Foley said, if ACE cannot get funding this year but the Board wanted to fund it in the future, it could become part of preparing for the next CIP and the next budget, or the Board could try to do that now. He said he did not think there was anyone who did not want to fund ACE, but staff would need direction on how to make an adjustment in the budget to accommodate it. He stated that modernization was the other big item removed from the budget, as were sidewalks which could also be funded in the service district in development areas. He stated that a citizen committee could help in this process.

Ms. Palmer said this is extremely important and, if the County does not put in some crosswalks, there will need to be more rescue personnel. She emphasized that the Board needs to make the community safer and, while it is investing in police and fire/rescue, it is not doing the preventative things which keep people safe.

Mr. Foley stated that the things the Board talked about such as parks and recreation and urban infrastructure are not in the plan at all. He noted that those are things which have not been funded for the last five years.

Ms. Palmer said the Board also talked about matching funds such as grants, and asked if staff would provide a list of those.

Mr. Letteri stated that staff has prepared an outline of all of the grants, how much of those involve matches, and what those amounts are.

Mr. Foley said, in the Board's packet for the meeting the following day, there is information regarding what the County has matched on grants received the previous year. He said staff would evaluate anything they were missing in the budget in order to pull down as much money as possible. He said, in the first year, the County is doing as much as it can to pull down ACE monies and transportation revenue-sharing monies for sidewalk projects.

Mr. Letteri said the County is using Meadow Creek funds to do this year's projects.

Ms. Mallek noted that was for FY16 and, therefore, the County is forbidden from putting an extra penny into a match program, because the County can match up to $10 million if it was available.

Mr. Foley said the Board could add another penny, designate it all to sidewalks and bring down $1.6 million of state monies.

Ms. Mallek said the discussion at the CIP committee level has been to put the money in during the beginning of the process, in the fall, so the Board would know it was a high priority item.

Mr. Davis stated that one of the challenges is that, in order to do the application for the revenue sharing, the County must have identified projects that are revenue-sharing eligible. He added that VDOT has indicated to Mr. Benish that the County does not have enough of those projects ready to file an application for the next year.

Ms. Mallek said this is a year away, so the money would not start until later.

Mr. Foley said staff could do an assessment of those projects and what it would require to take advantage of that revenue-sharing money.

Ms. Dittmar asked Ms. Mallek if that was something the Board should discuss now, or wait until it had evaluated other mechanisms such as service districts.

Mr. Foley said the question would be whether the Board would like to propose the penny now to capital, or wait until the citizen process worked its way through.

Ms. Dittmar stated that, if Supervisors wanted to discuss it now, the item could be put on the list, however, the Board could also wait until it is balanced with the alternatives that would fund the sidewalks.

Mr. Foley pointed out that, with service districts, the County would only be taxing the base of the properties in the district versus taxing across the whole County, which would generate more money than a district would.

Ms. Mallek said the decision the Board would need to make is whether it is a benefit given to everyone who lives here, as all of the rural residents come to the growth area to shop and work.

Mr. Henry stated that the deadline to make the next VDOT revenue-sharing application was November, which puts the County in the queue for the FY17 cycle. He said, if the Board wanted staff to make that application, staff would need to know by summer in order to be able to put a program together to make that application. He said staff would then need to have the commitment of the Board to fund the match.

Ms. Dittmar asked if Supervisors would want to wait until after the budget meetings, which would be May, to talk about the charge of the citizens committee and the types of people the Board would want to have serving on it.

Mr. Foley said he would like to put something together soon for the Board to consider. He stated that staff has gathered information about the City's committee and includes the charge of that committee.

Ms. Palmer stated that the Hedgerow Park is $450,000, and is an interesting park because of its Edgar Allan Poe and UVA connections. She noted that it is a prime amenity for fundraising because of its proximity to town and the University and also the trail possibilities. She asked if there was something the County could get going with the fundraising for it, such as for the parking lot or other basic features which could be the foundation of that effort.

Ms. McKeel said there seems to be opportunities for partnerships with that park.

Ms. Palmer said there are so many recreational opportunities at that park, including having the Boy Scouts camp there. She stated that Parks and Recreation staff have talked about having areas in there for people to jog, walk their dogs, mountain-biking, and other activities. Ms. Palmer said the land was given in one big lump, adding that she was not suggesting the whole thing be done all at once.

Mr. Henry clarified that this was the Hedgerow request, which is in the Board's Dropbox, and it shows a delineation of costs and the details behind the number.

Ms. Mallek said one of the local companies might want to make a community service donation for some of the park amenities.

Mr. Foley said Ms. Palmer seemed to be referring to incentive monies to get things started.

Ms. Palmer said she was thinking of at least getting a place where people can park so they can go in and start building trails and such.

Mr. Davis said the Hedgerow property was on the Board's agenda for the following week to authorize acceptance of the property. He added that the County has now finalized the transaction so that it is ready for the Board to accept it.

Mr. Foley said staff could ask Bob Crickenberger to take a look at some initial steps and incentives to get fundraising going, however, if the Board went much beyond that, the Board would need to consider it on balance with other parks projects. He said Mr. Crickenberger had said, as soon as another park is added, staff would be at capacity.

Mr. Davis said, as the Board will see in its report, once the park opens, there would be a $68,000 a year operating expense associated with it.

Ms. McKeel said she was happy with what staff had recommended for the CIP without making changes. She stated that she would like to have discussions going forward including what the community group would be addressing as well as referendums.

Mr. Sheffield stated he was also comfortable with what was presented, but noted that his only lingering questions related to the $2.3 million.

Ms. Palmer agreed.

Ms. Mallek said she was also comfortable with what was presented.

Mr. Boyd said he was not trying to manage surpluses, but he would like to know what the end of year excess revenues have been over the last ten years in audited numbers.

Ms. Allshouse said staff could provide that. She noted that the first thing staff does is shore up the 10% fund balance.

Mr. Boyd also asked Mr. Henry for an estimate on what it would cost to put a pedestrian bridge across places like Pantops, similar to what the University of Virginia had done and Lynchburg had done, so Supervisors would know what is being discussed in terms of numbers.

Mr. Henry asked the Board if there was a desire to have the Oversight Committee look further into the CIP program, or whether the Board felt it was acceptable to move forward as is.

Mr. Letteri said, without having a meeting of the Oversight Committee, staff could communicate with the committee as to what transpired since they submitted their recommendation, and also what the County Executive's Office had recommended.

Mr. Henry noted that he had provided a response to the Board on a question raised in November about reporting on capital, which he did in a memo. He said he tried to explain the process, how staff does their estimating with much of that is done in-house. He said the next capital report would be on the Board's agenda the following week as a consent item.

Ms. Dittmar suggested Mr. Henry be prepared to answer some questions at that meeting.

Agenda Item No. 3. From the Board: Matters Not Listed on the Agenda.

There were none.

Agenda Item. No. 4. From the County Executive: Report on Matters Not Listed on the Agenda.

There was no report.

Agenda Item. No. 5. Adjourn to February 26, 2015, 3:00 p.m., Room 241.

At 7:55 p.m., Ms. Mallek **moved** to adjourn the Board meeting to February 26, 2015 at 3:00 p.m. in Room 241 of the County Office Building. Ms. McKeel **seconded** the motion. Roll was called and the motion passed by the following recorded vote:

AYES: Ms. Dittmar, Ms. Mallek, Ms. McKeel, Ms. Palmer, Mr. Sheffield and Mr. Boyd.
NAYS: None.

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Chairman

Approved by Board

Date: 08/05/2015

Initials: EWJ