

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 26, 2015, at 3:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from February 24, 2015.

PRESENT: Mr. Kenneth C. Boyd, Ms. Jane D. Dittmar, Ms. Ann 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 3:06 p.m. by the Chair, Ms. Dittmar.

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

- **School Division Budget**

School Board Chair, Mr. Ned Gallaway, addressed the Board, stating that the budget process had been greatly improved due to the collaborative work of County Executive Tom Foley, Superintendent Pam Moran and both staffs. Mr. Gallaway also acknowledged Jennifer Butler and Tony Borash for their work on the presentation. He stated that the funding request is a needs-based request driven by the strategic plan with the goal of keeping up with service levels provided in the current school year, and said that they are bringing forth a very austere request. Mr. Gallaway said that the schools acknowledged that the revenue picture is not good, and they directed the Superintendent to bring forward a funding request to them that met the needs of the current year, and now that funding request is brought forth to the Board.

Mr. Gallaway said that their presentation will include an overview of the schools and noted that it is a very large division physically and in terms of number of schools inside boundaries. He stated that County schools have over 13,600 students, with a very diverse population, and said that their school bus drivers drive over 14,000 miles per day. Mr. Gallaway said that the primary drivers of their funding request this year are to maintain market compensation, to keep up with the quality of service currently being provided, and to fund enrollment growth due to new students. He presented a slide that showed the community's priorities in terms of what they feel the funding request should include, with the top priority being increased employee compensation followed closely by keeping current class sizes or reducing them. Mr. Gallaway said that this meant funding the growth in student enrollment, which can also impact compensation. He presented a brief video highlighting the schools.

Ms. Kate Acuff, Vice-Chair, addressed the Board and pointed out in the information before the Board the new expenditures for the schools this year, stating that approximately 97% of total new expenditures are comprised of either directed or mandated costs at 50%, and 47% in enrollment growth. She stated that there is also 1% of new growth allotted to restoration of services and programs that were previously cut, and 2% represented systems improvements. Ms. Acuff said that directed and mandated costs included those agreed upon as a County to expend, or things that cannot be avoided due to state or federal mandates, or increased costs such as utility costs. She stated that the highest element on the list is insurance costs, and the \$2.2 million shown is per-person increased costs; \$800,000 of that amount comes from people who have been bumped off either the UVA or UPS health insurance programs – as they now do not permit spouses to be on their plans if they have an alternative source of insurance. Ms. Acuff said that there is a half-year's salary increase built into the budget, which is 2% for teachers and 2.3% for classified staff. The schools propose in their budget the addition of another quarter-year, using funding reserves to cover staff so they are not taking home even less in the fall after health insurance costs. Ms. Acuff said that both the County and the schools have significant contributions for CSA, and more people are anticipated to be retiring because of the volunteer retirement incentive program, but a major component of that incentive program is healthcare costs, so they are reflected in the line item also. She noted that they do have some cost savings, but the net is \$3.88 million.

Ms. Acuff stated that part of their commitment to schools and one of two major variables that ensure quality education is compensation and support for teachers and staff, and with the salaries they have now, 63% of those who responded to a survey indicated that it is economically necessary for them to supplement their income as they cannot easily live in Albemarle County on their salaries. She presented a comparison of other high-performing school districts in the state, noting that the County is fairly competitive at the low end, at entry level, but once you get toward 15 year or advanced degree levels, it flattens out pretty quickly – and compared to localities such as Loudoun County or Falls Church, compensation is 30-35% lower. Ms. Acuff said that this is not news to the Board, but there are years of no increases and subsequent increases have been very modest and have not kept up with increasing insurance costs, inflation, taxes, etc. – so the net take home pay now versus 2010 is approximately 6.3% less.

Mr. Gallaway said that growth this year takes up \$2.72 million to cover the additional enrollment, including things like transportation and impact on physical space. He said that in the current school year, they have 122 more students in the buildings than projected last year in the funding request, based on September 30 data. He stated that next year they anticipate having 189 additional students, and those increases have put a significant strain on keeping up with the level of service provided. Mr. Gallaway said that the increase in students continued to trend upward for those who qualified for free and reduced lunch, although the pace is slowing, and the number of ESOL students served is also trending upward

significantly. He stated that enrollment growth alone requires additional funding to pay for additional services, and when the new students include free and reduced lunch, ESOL and special education students, who require additional services, that puts a further strain on revenue sources to continue to provide the level of services currently being offered.

Ms. Acuff noted that the students enrolled in County schools are from homes that speak a combined 80 languages, and they may also vary in background educational skills in addition to English skills. She stated that of new expenses, restoration is the smallest, and they have put into their funding request additional monies for professional development – and one of the biggest cuts made over the past eight budget cycles has been in professional development. Ms. Acuff said that in looking at their funding level in 2008-09, it was cut to 44% in the 2010-11 budget cycle, and they have only been incrementally increasing that funding – and research showed that support, funding, and training for teachers is critically important. She stated that the mission statement for schools is to promote lifelong learning, but they have stripped away funding to permit teachers to continue their lifelong learning, and these resources are increasingly important as the mix of students becomes more complex. Ms. Acuff said they are considering an additional \$225,000 to restore professional development, but are only asking for approximately \$60,000. They are waiting to fund a new assistant principal and assistant superintendent position and are using the funds instead for professional development. She stated that about 2% of new costs are three items from a scaled-back wish list – with middle and high schools having full-time school nurses, but not elementary schools. Ms. Acuff said that there was a .8 FTE across the 16 elementary schools, and they would like to increase the school nurses at the five elementary schools to full-time: Agnor-Hurt, Baker-Butler, Brownsville, Cale and Greer Elementary, which have 3,130 students collectively making a total of more than 35,000 school nurse visits last year. She said that they currently do not have nurse coverage when the students arrive or depart school, which is when they are at risk for injuries, and the nurses are working more than the .8 allotted for their positions.

Ms. Acuff stated that the schools used to have full-time truancy officers for the schools, and the functions of disciplinary hearings, risk and threat assessment, alternative education, etc. have been dispersed throughout the division, and they would like to have a half-time person to coordinate this in the division. She said that the third priority is a world languages program, as this is the fourth budget cycle for their world languages program at Cale, and they had hoped to expand it to all elementary schools by now. Ms. Acuff stated that they realize this is not feasible, but they are asking for money to plan for expansion at two elementary schools. She said that there has been a lot of interest from parents and PTOs, as well as teachers – with some schools offering a little bit of language with their after-school programs.

Mr. Gallaway pointed out that the truancy cases fall to the principal, and when students do not show up they have to track them down. He said that it can require a significant amount of time to find out where they are and why they are not in school, and then help establish things that can get them back to school. Mr. Gallaway stated that as the instructional leader of the school, the principal needs to be focusing on other things, and the County should provide some support with truancy efforts so the principal can stay focused on the school.

Ms. McKeel asked if the proposal is for an additional position. Mr. Gallaway said currently the school principals are doing it, whereas other places would have full-time truancy officers – and this would not even get the job done, it would just offer some help.

Mr. Gallaway reported that the budget gap in the schools' budget stands at \$880,000, which is considerably less than the \$4.4 million they had been projecting in the fall. He said that when the Superintendent brought forth her funding request, the gap stood at \$3.1 million, so just in that short time they have seen improvements in closing that. Mr. Gallaway presented a slide depicting the current year's adopted budget, the funding request for the current school year, and the change that exists. He said the schools have had to move money from capital projects to operations, which means delays in school modernization projects such as Red Hill School, which has been delayed many times in the past.

Mr. Sheffield asked if that also impacts the school bus replacements. Mr. Gallaway confirmed that it will, and the buses will essentially just be pushed out a bit further into their traditional life cycles.

Mr. Gallaway said that in response to the question about who is responsible for the continued responsibility for local government to provide additional revenue to fill a funding gap in the school division's funding request, to allow them to keep up with services, the answer is the state. Mr. Gallaway emphasized that the state is not doing its part, and based on its level of commitment in 2008-09, adjusted for inflation, would mean an additional \$8.14 million more at the schools' disposal. He said the money can be used to fund enrollment growth, significant compensation increases for teachers and staff, and implementation of their strategic plan. He stated that without inflation adjustment, with the dollars remaining the same, there will be more than \$3 million to use for these items, and in looking at the state's investment in individual students, they are underfunding students by \$584 per student in the current year – and next year, they will be underfunding by approximately \$602.

Mr. Sheffield asked him to clarify what was meant by "estimated." Mr. Gallaway said that the population for the students is estimated, because they are using a projection for student enrollment, with an increase of 189 students. He stated that Albemarle spends approximately \$12,000 per student as an expenditure, so more state revenue would increase that number. Mr. Gallaway said that this breaks down as what the state is giving to the County to help pay for the per-student amount spent, and stated that decisions by the state legislature have shifted millions in costs to local taxpayers.

Ms. Acuff said that the schools have worked for many years on developing a portfolio of excellence, and want to be a center of education and to be able to compete with all of the schools in the state and elsewhere – so they have put into their portfolio many things that are beyond the bare minimum standards that the state required. She said that Albemarle schools promote and support visual and performing arts, are now having their third STEM academy at Western Albemarle High School, have a variety of enrichment opportunities and advanced placement, dual enrollment and virtual courses, as well as one world language program. Ms. Acuff said that they have had to whittle away at many of the elements in their portfolio in order to balance the budget, and this will be the eighth funding request since the recession, with students now entering middle school who have only known a stripped-down budget. She stated that given the importance of schools in any community and their economic development and appeal to employers and people moving into the community, they need to ensure they keep as much of this in their portfolio as possible. Ms. Acuff said that one of the key priorities has been keeping class sizes small, and in comparison to other high-performing school districts, they are somewhat envied for being able to maintain small class sizes in elementary schools; in middle and high schools. The County was not the smallest, but was still quite good. She stated that Prince William County, for example, has an average class size of 30 students in a high school class, and this is one of Albemarle's key elements in continuing excellence in education. Ms. Acuff emphasized that they have done so on a shoestring, and this is the eighth budget cycle where they have cut, and in looking at expenditures per student, the County's per-pupil investment is below the national average – almost \$4,000 per student less than Charlottesville City Schools.

Mr. Boyd said that even though she is referring to these as “cuts,” the County has given the schools more money each year – although not as much as they have requested – so it is not really a reduction from the amount of money given in previous years. Ms. Acuff acknowledged there has been cuts to professional development, central office staff, building services and transportation.

Mr. Boyd said that it is really a cut to expansion of those particular services, because the school has received more money. Ms. Acuff stated that there have been actual cuts, because since 2008 the schools have seen more than 1,000 new students in the school system, and they have made cuts in order to absorb them and maintain relatively small class sizes.

Mr. Boyd said that he wants to make it clear that the Board has given more money to spend each year, and there has not been a reduction in spending. Ms. Acuff stated that the overall amount is greater, but is not at the same per-pupil expenditure level given the enrollment growth.

Mr. Boyd said that the cuts have been at the School Board's choice, because they decided to cut in one area versus another area. Ms. Acuff responded that given budget constraints, they have had to make adjustments in order to support the schools' priorities, which have been protecting the instructional bubble around students. She said that they are at the point where there is not much left to cut, so if they do not allow for coverage of enrollment growth, they will have to absorb that, and that pretty much translates into larger class sizes.

Dr. Pam Moran, Superintendent, addressed the Board, stating that the balance sheet has tipped whereby local government has provided more revenues to the schools as the state has downsized its commitment – with VRS taking a huge chunk of funding that is compensated for at the local level, which resulted in nothing additional for the employees.

Ms. Mallek stated that there have definitely been reductions in administrative positions in local government also, which are accomplished through restructuring.

Ms. Acuff said that the failure of the state to fund the schools has had reverberations throughout the County budget, and she understood that they are underfunding police, fire and rescue, and social services as well. She said that she is pleased that they are united in lobbying the state government to provide additional revenue authority, but as it has translated to schools, they have made numerous cuts across the board. Ms. Acuff said that they have made cuts to department and school budgets by 5%, have modified staffing, have cut support, and have significantly reduced professional development, as well as teacher stipends for those who taught an extra section of a course or an extra period. She stated that they would like to fund a full year of salary increases and have an additional resource officer, with those positions eliminated at the middle schools during the recession. Ms. Acuff said that one school is covered by a resource officer, and they are hoping to add one per year but they could not do it last year and will not be able to do it this year. She said that they had hoped to expand world languages throughout elementary schools at an expense of \$1.5 million, but instead they are asking for \$20,000 to study it. She stated that they have academies at three of their high schools, but if a kid at Hollymead wants to go to the environmental sciences academy at Western Albemarle, there is no transportation. Ms. Acuff said that she felt it is a health and safety issue to have full-time nurses at the elementary schools.

Ms. McKeel commented that she is in nursing so she paid attention to this – which is why she ended up on the School Board – and that this had been the wish of the schools for 17 years now.

Ms. Acuff said that last year there were 160,000 visits to the school nurses division-wide, and for many students this is their primary source of health care.

Mr. Gallaway said that it brought them no joy to bring a funding gap to the Board, but he said that the School Board's job is to bring forth a needs-based funding request, and they are bringing forward the same things that were provided in the previous year, but due to things that are out of their control, there is

additional revenue needed to cover it. He stated that with the \$880,000 funding gap, the state has not done their part to properly invest to meet their own standards of quality – so the burden falls to the local tax base. Mr. Gallaway said that the \$880K can be viewed as a half-penny on the tax rate, which can go to the tax rate or comes out of revenues. He stated that if the additional revenues are not forthcoming, then measures to help close the gap, if they do not provide the additional bit of revenue, will include funding adjustments at the state level, with the professional development, nurses, and behavioral management at \$150,000 being the first likely cuts should the state adjustments not compensate for the gap. Mr. Gallaway said that beyond that, the Superintendent may have to make additional central office reductions, and at this point that will go to instruction and instructional support at the schools. He stated that they can decide not to fund enrollment growth, which will potentially translate to increased class sizes. Mr. Gallaway said that when faced with this dilemma last year, the School Board debated whether to increase class size or cut operations, and they balanced by a 5% operations cut across the board – so that will likely be the case again this year. He noted that the School Board was committed to holding compensation harmless, and they directed the Superintendent and County Executive to bring forward their mid-year salary increase, and that is a new initiative that will not be on the table for cutting.

Mr. Gallaway concluded by stating that the schools support the need to establish a citizen committee to address long-term financial sustainability and are happy that the Board is championing moving that forward. He said that they also support the need for a joint local government and school division internal review committee, and the efforts will allow both boards to achieve their strategic plans and also tackle some things they need to address such as pre-K and adult education needs. Mr. Gallaway said that the School Board commended the Board for their creation of the Economic Development Office, and congratulate Faith McClintock as being named their first director. He stated that economic development is an obvious piece to this puzzle, and focusing on that will help them figure out the long-term financial sustainability of the County – which will help both boards execute their strategic plans.

Ms. Palmer said that there is an amount included for health insurance per person, but said that the \$800K additional is to cover 70 new people – which is over \$11,000 per person.

Ms. Acuff stated that Ms. Lorna Gerome, Director of Human Resources, had just provided an informal estimate, and she thought it was around that amount.

Ms. Palmer asked what the per-person insurance cost was. Mr. Gallaway responded that it is approximately \$8,000 per year, with last year's cost estimated at just over \$1/2 million.

Ms. Moran said that the change occurred at UVA in January of last year in terms of covering spouses, so the schools had to come to the Board for appropriation to cover those costs, and it also occurred at a point where it was not built into the budget for this year, so they are facing having to cover some of that this year. She stated that for next year, they are going to at least have it built into the budget as part of the overall insurance cost.

Ms. Palmer asked what defined a "disadvantaged student." Mr. Gallaway said that they are economically disadvantaged, so they will qualify for free and reduced lunch.

Ms. Acuff said that about 28.5% of students in the County are in that group.

Ms. Palmer said that one of the questions she has received was related to the change in that criteria over the last few years. Mr. Dean Tistadt, Chief Operating Officer, said there have been minor adjustments to the eligibility numbers of income by size of family, but they are very small adjustments based on the consumer price index.

Ms. Palmer noted that a family of five making \$51,000 or less would be classified as a "disadvantaged student."

Ms. Acuff said that they are academically at risk, and the schools are required to categorize them in testing, and must keep track of them through performance measures to ensure they are addressing the needs of all students – not just high performers. She said that under state and federal classifications, they have approximately 28.5% economically disadvantaged students, but that is highly uneven among schools – with some at 70-80% and some at 5-6%.

Ms. McKeel noted that every school system in the state and country will use these same determinations, and they are not proprietary to Albemarle County.

Mr. Boyd mentioned that the County has staffing formulas that are designed around these numbers, so it does impact them directly.

Ms. Acuff said that they did use those formulas, because they are held accountable for the performance measures of these students.

Mr. Gallaway said that the schools used to have just a flat differentiated staffing model, but in the past few years they recognized that one of the ways to close their budget gap was to work with the schools in bands. He explained that the schools with larger populations of economically disadvantaged students have staffing that can, in some cases, be used at the other schools to address their needs and help close the gap. He stated that two years ago, they reduced the overall staffing by six FTEs by doing that.

Ms. Moran stated that they had actually reduced their differentiated staffing, and said that these are the same standards that will be used for children going into preschool, so the reality is that while not every child whose family is on free and reduced lunch needs additional services, they know from national data that children who are living in poverty are more likely to come to school with needs greater than children who are not. She said that the schools plan for that, particularly with the changing demographics in the urban ring, where more kids are on free lunch rather than reduced. Ms. Moran said that back in the 1990s, those numbers were closer to 15-16% countywide, and it is not because the criteria has changed that much, but because more people are moving into the County – even just across the line from the City – who have more economically challenging situations in their homes.

Ms. McKeel said that it is due to other factors also, such as the International Rescue Committee (IRC), which has moved 106 families into the urban ring over the last six months, mostly in the Jack Jouett District. She noted that in some cases, these families are just a couple – but in most cases they have children.

Mr. Boyd asked where they are finding housing. Ms. McKeel said that some of them have moved into housing units that were intended for University students.

Mr. Boyd noted that this is the only location in the state that has an IRC. Ms. Acuff said that as the costs for City housing rise, these people get pushed out to the County.

Mr. Boyd said that he is curious as to where they find affordable housing for all of these families.

Mr. Sheffield said that it is Copley Hill, which is University housing.

Ms. McKeel said that they are also moving into U-Heights, and she has received a question about using the CAT bus line when the University was not operating buses.

Ms. Dittmar said that the housing was intended only for University students at one point.

Mr. Sheffield said that if they are students, they often bring their families, and there can be as many as three different generations in that housing.

Mr. McKeel said that 106 in six months is pretty dramatic.

Ms. Moran noted that Woodbrook Elementary, which traditionally has not had IRC families, is receiving some – and Mallside and Rio Hill also provides low-income housing units. She said that the school division hears pretty clearly from principals that this adds a stressor, because while the IRC provides some transitional services, their children belong to the schools and there are no additional services provided to them inside the schools to support them.

Ms. Mallek stated that the IRC services stop at six months, which is something else with which to contend. She said that when they talk about the salary increase in the fall, it is to begin in January, and then the County Executive made a proposal that they can start it in October – but she understood Mr. Gallaway to say that is a line in the sand, because with local government and schools together that is \$1 million. She said that if they keep that in January, it will get them to market before the end of the year and will certainly close down the \$880K all by itself, so she would like some explanation of that. Ms. Mallek said that another reason for that October 1 date is the fact that the new health insurance costs are going in then, and she would like to know the amount of the increase in the health insurance costs.

Mr. Gallaway said that the line in the sand is the January 1 start date for that proposal, but both the County Executive and the Superintendent had said in December that if there was a way to offset health insurance increases October 1, they would look at that. He stated that the School Board has looked at that and decided that they can use monies from their fund balance to fund it themselves, so that they can start an accelerated quarter that will start October 1 – but they are not asking the County to pay for that. Mr. Gallaway said that the schools have those resources by using one-time monies, and are considering several different scenarios. He stated that in regard to the \$880K funding gap, that includes paying for a salary increase that will start January 1.

Ms. Acuff said that with health insurance costs, there are premium costs as well as things that will not show up on the paycheck, such as higher copays and deductibles.

Mr. Gallaway said that both boards would like to have a full year of salary increases, so if the Board of Supervisors feels they can do it – and if there is a way to provide an additional quarter, they want to know what the cost will be to do that remaining quarter, if the school division is not passing a full half year onto the Board. He stated that from an expense standpoint given the current funding gap, if they funded with the January 1 start date, and the schools used fund reserves to pay for an additional quarter, that did not increase the funding gap brought forward. Mr. Gallaway said that the \$690,000 is the cost associated with doing some version of a start on October 1, and that \$690,000 would come out of fund reserve – not adding to the .8 million – and it is their funding.

Ms. Mallek said that she would still like to know how many hundreds of thousands the increase in health insurance costs are, but the line in the sand seemed to be that local government would need to step up, or they would not achieve the commonality between the two entities. Mr. Gallaway and Ms. Acuff said that is not the case at all.

Ms. Mallek said that if the schools are going to do it out of fund balance, her suggestion is that if commonality is important to them and January 1 is the date to stick with, the fund balance money should be used for the other priorities the schools have identified.

Mr. Gallaway said that he disagreed with the way she has contextualized that, and the Superintendent and County Executive were asked to bring funding requests forward with a salary increase starting January 1, and the funding request the schools have brought forward does that. He stated that at the December meeting of the joint boards, they both said that they would like to see from the County Executive and the Superintendent ways that could help offset the increased costs of health insurance by October 1 – but the Superintendent did not include that in her funding request; the School Board is including it in their funding request to help do that for employees. Mr. Gallaway said that whether the County chose to do that on their side is completely up to them, but he thought it was being explored based on their December conversations. He stated that if the Board should decide to fund the current request, the Board is not paying for the additional quarter that is in the School Board's current request – and as the cost is not passed on, the funding gap remains at \$880,000.

Mr. Foley said that the goal is to end up in the same place for both organization's classified employee salaries, and staff will need to get to the Board of Supervisors the additional cost of that one quarter. He said that based on what they think right now, either from one-time monies or from new state revenues, they feel they can fairly easily meet that extra quarter.

Ms. Moran said that as their boards come together and start to talk about this, the hope is that they will be able to put some things on the table to try to get to that common ground one way or another. She stated that they all agree they do not want to be where they were last year, where the schools made a change that the Board of Supervisors had to respond to. She said that they have heard very clearly through their process that compensation is really important, and heard extensively from teachers about the critical nature of what they see as a morale and workforce issue. Ms. Moran said that she has heard from teachers that they can move to Madison and work in Loudoun, and that it would make a difference in their lives in terms of salary compared to Albemarle – so she did not want to lose teachers who can work elsewhere.

Mr. Gallaway said that the schools did not want to come before the Board and try to force a hand on something, they are trying to say that in order to achieve this, they will have to make decisions within their own boundaries and what they have at their disposal in order to do it – and that will mean choices elsewhere.

Ms. Palmer said that the way he explained the proposal is how she interpreted it.

Mr. Sheffield said that he had recalled approval of additional health costs because of the UVA policy change.

Mr. Foley said that the Board actually appropriated additional money that the schools and local government needed in June to cover those costs, so it did not come out of their operating money.

Mr. Sheffield asked if they are now seeing an additional demand due to the UVA impact. Mr. Tistadt said that it had only been for six months, and now there is a full-year impact for this year.

Mr. Foley said that it is the same amount, it is just a full year instead of a half a year.

Mr. Boyd said that his understanding is that the state reimbursed based on March 31 numbers, whereas the County calculated its needs for teachers using September 30 figures – and it used to be that there are fewer students in March than in September, due to students moving. He said that he wondered what that gap will be.

Mr. Tistadt said that the schools can do that analysis and provide these figures to the Board.

Ms. Moran said that the figures provided are average daily attendance, not September 30 figures.

Ms. McKeel commented that she really likes the information included that delineated schools by cost, and said that she would also like to see the per-pupil cost in each school.

Ms. Moran said that she would also like the Board to consider that in looking at departments, the schools have also included department metrics used to measure what they are trying to accomplish and the services they provide. She added that the school division is proud of the fact that the departments are working on clear objectives in terms of the services they provide.

Ms. Mallek said that she has seen the per-pupil costs somewhere in the information provided by the schools. Ms. Moran said that it is not all on one page.

Ms. Acuff said that the average is the \$12,000 figure provided.

Ms. McKeel commented that she is happy to see the schools putting money back into professional development, and what is concerning to her is that there are PTOs raising money to provide those opportunities at some schools – which left a differentiation between schools within the division in terms of teacher support.

Ms. Acuff noted that those tend to be the higher-income schools.

Ms. Dittmar said that the County has funded the pre-K program this year at the level they had the previous year, and would like to see figures as to the cost of funding at a level that will pull down the maximum possible state matching amount. She commented that if they can get to the point where they are fully funding pre-K, it will help all citizens as well as the school system.

Ms. Moran stated that research is clear that students from Bright Stars and even special education preschools are starting school with deeper skill sets than students from those demographic groups that do not have that experience. She said there are two Title I funded preschools in the County that are threatened with elimination, but Debbie Collins in the school system has figured out how to hold onto that program.

Ms. Debbie Collins stated that they will use carryover funding to secure that program in the coming year.

Ms. Moran noted that the schools have four different preschool programs – Title I, Bright Stars, Head Start, and special education preschool – and in looking at more urbanized areas, because of the transience with students from other locations, they did not always get the full benefit.

Mr. Tistadt said that 35% of that particular cohort system-wide has left the school system some time in between kindergarten and 5th grade.

Ms. Acuff said that it is unrealistic to think that preschool by itself is enough to support kids all the way through school, but it helps prepare them to enter kindergarten with basics like holding a pencil and having a book read to them. She noted that this also had ramifications to capital budgets as well as operating, because they are accommodating pre-K in existing schools, many of which are at or near capacity – and the schools are trying to house pre-K in the schools where those children will go, to try to also engage parents in education.

Mr. Gallaway said that one of the questions to the School Board from the schools' long-range planning committee is where the pre-K program will be housed from a facilities standpoint.

Ms. Dittmar stated that national figures show that 59.7% of the students matriculated to four-year schools leave without real job training skills, and one of the County's strategic goals is lifelong learning – but the School Board's budget shows a reduction in CATEC, as there was the previous years.

Ms. Acuff said that there is the adult education piece of it, but also high school students who go to CATEC – and the reduction is on that side of the equation. She stated that the adult education part is economically self-sufficient, funded fully by tuition, or in the case of apprentice programs, by state funds. She said that they also made a tiny amount of money from testing for certifications.

Ms. Dittmar said that when she had toured CATEC about a month earlier with Steve Koleszar, Bruce Bosselman took them around for the tour and commented that there is a shrinking adult education program – and it sounded like there is not a lot of investment in that.

Ms. Moran emphasized that the CATEC budget in the School Board's budget is strictly high school, and is based on a funding formula that they shared with the City, based on the projected enrollment of kids coming from both localities. She said that because the CATEC enrollment has trended downward, some programs have been eliminated for the high school program, with three having been discontinued from last year to this year. Ms. Moran said that in rebuilding the new academy model, their goal is to fully enroll students in those programs, with new offerings such as medical coding. She stated that when she came on as Superintendent, there were close to 500 students at CATEC, and part of the reason for the downward trend is that they have built better CTE (Core Technical Education) programs in the high schools. She stated that the adult education program, which actually brings money into CATEC, is entirely separate from the high school program, which along with the City has been sending less kids.

Mr. Gallaway noted that the Parent Resource Education Program (PREP), which is another joint program with nine counties participating, serves special education students – and those costs have gone up, along with an increased enrollment of students needing special education services.

Ms. Moran said that the schools are on an intensive search to have both a strategic side and a principal of CATEC side, and one position will be focused on how to build relationships in the business community and assess what they really need in terms of skill sets, working with PVCC and the schools' academies while looking for other sources of funding. She stated that they are also searching for a person who will run the school side of CATEC, and work with the four comprehensive high schools in the City and County, with the goal of having a very robust "workforce hub" that will be looking to develop out both the high school and adult education sides of that work.

Ms. Mallek asked how few students there are in the CATEC program now, as it used to be 500. Ms. Moran responded that they have been running in the 260 range, but had about 300 last year. She said that there are a lot of factors that affected these numbers, and in the case of students from Western Albemarle, to go to CATEC for a half-day program means they have to give up periods out of their day for travel – so they do not get the enrollment from that school as they might get from Albemarle High School. She said that if they think about this as a hub, they need to think about how the entire community could

be a part of the CATEC environment, and perhaps use workforce opportunities to have more apprenticeships of kids out in the field.

Ms. Acuff said that as they develop their academy model, that may be more of an appeal for adult education. She said that they are in transition, and it was challenging to lose Adam Hastings right when they were launching this, but it is on track and they feel they can come to a really good place in the next year.

Ms. Mallek asked if the classes in the high school buildings offer certificates. Ms. Moran responded that they do, and she is appreciative of the fact that each of their academies – MESA, health and medical sciences, and environmental studies, all carry joint CTE, dual enrollment, and regular high school credit.

Mr. Gallaway said there is a new state requirement that if you are getting a standard diploma, you have to earn an industry certification.

Ms. Dittmar said that she and Ms. Mallek had lobbied the Senate Finance Committee about enabling authority for a cigarette tax, and before they left that day, a bill was going to be presented for all counties other than Arlington and Fairfax, which already have it. She said that by the time they arrived in Richmond, the committee had decided to reduce the scope of the bill to only consider the Isle of Wight County – but even that did not go anywhere. Subsequent to that meeting, she said, she and Ms. Palmer had been to the General Assembly and had met with each Delegate and Senator representing Albemarle, and presented them with a letter from the Board – which the Board had agreed to do every time there was a shift in responsibility from the state to the County. Ms. Dittmar said that the County will wait until after both their budget and the state budget are passed, so that they can isolate the right figures, and will copy the School Board on any letters sent.

Ms. Mallek said that having the School Board send letters in addition to that will also be helpful.

Ms. Dittmar said that she said that Greene Board of Supervisors Chair Jim Fridell has suggested that they send that formatted letter out to all the school boards in the planning district, and all the boards of supervisors, so they can send their own letters. She said that the Board will take responsibility for reaching out to the other boards of supervisors, and encouraged the School Board to do so with the other school boards.

Ms. Palmer said that she had suggested that at the last VACO meeting to all the supervisors around the table, and they agreed it was a great idea.

Ms. McKeel commented that it provided a paper trail that can be used later.

Ms. Mallek said that she understood the great concern by teachers that their workload has increased dramatically while their compensation has not, and she suggested having the schools do raises up to a certain level, for the people who most needed the raises.

Ms. Palmer asked how long it will be before they hire an assistant superintendent. Ms. Moran responded that she has no plans to do so, because in talking with special education parents about teachers needing training to work with their children, and teachers who are paying out of pocket to go to conferences that added great value to the school system. She said that the workload without that position has increased, but the reality is that every year they have prioritized schools over central support – so that money is in the budget to fund professional development for teachers. Ms. Moran said that when the Board asked the schools for options, they shared the possibility of taking teachers to a full year of getting a 2% raise, and she did feel that their educators are working very hard everywhere – and while they cannot solve problems for all of them, they can certainly try for Albemarle teachers.

Mr. Gallaway asked the Board to continue sharing feedback with the schools as to the format of their budget presentation.

Ms. Mallek commented that she likes the new format a lot.

Ms. Palmer asked if citizens have asked for a copy of the budget. Mr. Gallaway said that the Superintendent's request went up immediately, and then the School Board's, so the public got to see different versions of it.

Ms. Moran said that at parent council the previous night, the parents had talked about how helpful it is to have both budgets in one place, and how they are becoming aware of the challenges facing social services or the police department or fire and safety. She said that she and Mr. Foley have worked with a business community group, and it has really helped on the school side to feel comfortable that the integrated package of the way they are thinking about budgets is something that benefits the whole community. Ms. Moran thanked the Board for pushing schools on the budget reformatting.

Ms. Mallek said the book is very readable, and added that it is helpful for citizens to speak up individually, as a lot of letters make a big difference to someone running for office.

Mr. Gallaway said that there are some efforts by pockets of teachers in the County who are doing that very thing.

Ms. Moran said that some parents are doing this also, and the school share the budget slides with them, which definitely gets their attention.

Ms. Mallek said that the \$8 million alone that they used to give the schools will take care of a whole lot of their priorities.

Ms. Dittmar said that UVA is not a comparable parallel to a local school system, but years ago she was a trustee for the College of Arts and Sciences and they became aware that state funding was shrinking. She stated that they developed strategies to overcome that, and while the public schools' approach will have to be different, they do have ideas and she is optimistic that they will figure this out. Ms. Dittmar said that they have some good ideas to study, and next year will not be a short session or an election year – so the legislators will have to take this seriously. She thanked the schools for their presentation, and said that this year feels dramatically different, with the Board directing any further comments to the schools through Lori Allshouse.

Recess. At 4:37 p.m., the Board took a brief recess, and reconvened at 4:50 p.m.

- **General Government - Cross Departmental and Non-Departmental Expenditures**

Ms. Lori Allshouse, Director of the Office of Management and Budget, addressed the Board and introduced Laura Vinzant, Andy Bowman, and India Adams from the Budget office, as well as Betty Burrell from Finance.

Mr. Bill Letteri, Deputy County Executive, addressed the Board, stating that this work session will focus on general government expenditures, and at their last work session they talked about shifting budget resources from capital to operating. Mr. Letteri said that Ms. Allshouse will begin with a discussion of cross-departmental issues and impacts, which are expenditures that apply to all departments, such as salary and compensation, fuel costs and other items.

Ms. Allshouse reported that they will focus on the General Fund, which totaled \$246.8 million, and most of what they will discuss is in that fund. She said that they will also cover cross-departmental items, as every department will be impacted by them. She noted that there is a 2.3% salary increase effective January 1, 2016 in this budget, and there is also a 0.7% pay for performance reserve included in this budget. Ms. Allshouse said that there is a 9.6% increase in the Board's contribution to health insurance, with an impact of \$509,000 to the operating budget, which is \$8,542 per employee. She stated that there are no changes in the VRS retirement and group life insurance rates, and as they have been doing for many years, they have budgeted for salary lapse, with \$523,000 budgeted to already capture those savings and use them in the current budget, at a rate of 1.25%. Ms. Allshouse said that they have done a streamline program with vehicle replacements, and have shifted some things around, so there is a \$78,000 increase in costs spread out by all the departments that participate in having pooled cars or vehicles for their departments. She noted that they will be replacing 43 vehicles in this budget, with 61 requested, and the County's standard is 120,000 miles or 10 years – with a lot of work done out of General Services and OMB to ensure that the vehicles causing the most trouble with maintenance are the ones that got replaced. Ms. Allshouse said that they have also done some restructuring of postal services, and the costs are now centralized in General Services, which is a helpful streamlined administrative measure initiated by the Finance and General Services departments together.

Ms. Allshouse said that the positions on the general government side have full-year funding for those that have started this year, so they had to pick up the full year for those, and there are nine fire rescue positions that the FEMA grant funding will run out for, which the County will pick up. She stated that the crime analyst position is also grant funded and will now be picked up, and there is full-year funding for two water resources positions, a transportation planner that starts in FY16, and two commonwealth attorney positions. Ms. Allshouse said that they will be talking about this across all departments, and there will be 15 new general government positions include in the recommendation – five police officers, two office associate positions, a policy analyst, materials inventory and supply manager, a senior systems analyst, a maintenance mechanic, two social workers, and two community development positions.

- **Administration**
 - **Board of Supervisors**

Mr. Letteri stated that the budget book includes a summary of all administrative categories, and there is a \$12.6 million combined operation that includes the departments of Finance, which is the largest part of the budget, Information Technology at 23% of the total, and other departments includes Voter Registration, Elections, Board of Supervisors, the County Executive's office and Human Resources – which is a school operation that the County contributes to, the County Attorney's office and OMB.

He noted that the Board of Supervisors category included all of their operations and the Clerk, with the Board overseeing policies and the County Executive's office, and the Clerk's office involved in meeting management, constituent support, and formal records management. Mr. Letteri said that the overall department is \$727,000 total, and the budget requests an additional \$82,000 over the budget last year, or an approximate 12.7% increase. He stated that this includes an additional \$10,000 in overtime, which is a reflection of the change in the timing of the meetings as many of them are occurring in off

hours and evenings; other increases totaling \$61,000 reflect their decision to begin video streaming – the annual fee for the software and part-time staffing to man the necessary equipment consoles.

Mr. Letteri noted that there is an additional increase of \$14,000 representing their share of the Central Virginia Partnership for Economic Development, and a major portion of that contribution comes from the Economic Development Authority, which is approximately \$37,000. He stated that there has been a substantial increase this year because of the change to the per-capita formula.

Ms. Lee Catlin, Assistant County Executive, addressed the Board, stating that the EDA has begun charging fees about three years earlier, which they have not done before, so that brought them an income of approximately \$80,000 per year based on the bond issues they have, with that amount going down every year because it is paid on the percentage of the bond that is still outstanding. She said that the obligation given to pay for the Chamber of Commerce, CVPED, and the Charlottesville Business Innovation Council was \$12,000 for the CVPED partnership, and that has been escalating to get up to a per-capita rate, so at \$51,000 per year plus the Chamber plus the council membership and a decline from \$80,000 down, the EDA was concerned about their ability to continue absorbing that cost. He said that the EDA at that time said that \$37,000 was what they could do within their existing budget.

Ms. Dittmar said that this seems to be more appropriate for a line item in the Economic Development Office budget, noting that none of the Supervisors serve on that board and do not go to those meetings.

Mr. Foley and Board members agreed with that suggestion, and Mr. Foley said that staff will make a note on that transition.

Mr. Letteri stated that staff is recommending an addition of \$8,000 for strategic planning, and that will include a venue and a facilitator. He said that there is also a \$6,000 increase for the new executive summary management system, with the other half coming from the innovation fund. He stated that there is also \$15,000 in increases associated with various Board meetings, town hall sessions and work sessions during the year. Mr. Letteri said that the budget also recommends a share of a full-time position to be shared with the County Executive's office to assist with constituent services. He noted that there is just one person in the front office currently, and much increase in activity – and this will restore a position that they used to have for that purpose.

Ms. Palmer asked who got overtime, and if all salaried employees got overtime. Ms. Allshouse said that it is based on HR standards of who gets overtime, and there is a Fair Labor Standards Act that covers exempt and non-exempt employees, so it depends on the employee's status.

Mr. Letteri stated that it will cover all non-exempt employees, and Clerks are non-exempt.

Mr. Davis said that the Fair Labor Standards Act has a standard that has to be evaluated to determine whether an employee was exempt or non-exempt, and if they are non-exempt under that federal test, the law requires that overtime be paid for any hours over 40 hours per week.

Ms. Palmer said that they had also discussed the possibility of increasing Board of Supervisors salaries to get more candidates to run for the office, and had asked staff to come back with a way to do that.

Mr. Davis said that he has provided that information to her, but he was not sure he was requested to do it for the entire Board. He explained that there is an alternate system available to the Board to set a salary that will become effective after half of the Board has faced an election, but there is not a way to do it such that it will only apply to the other half of the Board. He stated that it will be effective for all Board members beginning on January 1 date or after one-half of the Board has faced an election – and under that system, there is no cap, so it will depend on what salary they feel is appropriate for the Board and will become effective after half of the Board has faced an election.

Ms. Palmer said that she does not recall the specific feedback on whether they cannot accept it, but that is a conversation for another time.

Ms. Mallek said that having a Board discussion as to whether there are four votes to support it is important to do before they spent any more time.

Ms. Palmer said that the reason she is bringing it up now is because it might affect the budget for the Board of Supervisors.

▪ **County Executive**

Mr. Letteri stated that the County Executive's office was the chief executive office for Albemarle County and is responsible for implementing the policies of the Board in directing the day to day operations of the County, and there are 9.5 positions total in the office, with a budget total of \$1.2 million. He said that an increase of \$119,000 or 10.4% is recommended, and this will include the other half of the constituent services position, and will include funding for the new policy analyst position for the police department.

Ms. Dittmar asked what the policy analyst will do. Mr. Foley said that it is a position that they used to have but was eliminated, and it basically provides constituent services help for Board policy directives, and currently they are using fellows to do that kind of follow-up work. He stated that it used to be the executive assistant position that assisted with Board functions and initiatives.

Ms. Mallek said that is different than constituent services, and at some point she would like more detail as there is a big difference between contacting citizens, which is the Board's job, and doing something that helps the County Executive's office with the Board.

Mr. Foley noted that it has been discussed before, but staff will bring it forward again.

Mr. Letteri stated that there is a fairly good discussion of the descriptions above the management functions in the County Executive's office, and what they are calling community relations, which talks about the various activities that will involve that office as well as the new position, such as community relations, public engagement, tourism, community and marketing functions, oversight for Board services, constituent services, and administration of the County Executive's office.

- **Human Resources**

Mr. Letteri reported that the Department of Human Resources is a joint operation between schools and local governments, and formally resides in the school system, totaling about \$2.2 million and involving some 22 employees. He said the County's share of that is based upon the relative activities and effort provided to local government services. He stated that their transfer to schools was \$464,000, and they also paid directly for a training position that provides mostly services for local government. He noted that this is one of the County's more complex departments, doing a wide variety of things including recruitment, selection and retention, classification and compensation – which has been a real challenge for them in many departments as they deal with the rapidly changing market of compensation and employment. He said that administration of benefits and leave has also been very complicated, with changes in benefit packages and VRS creating real challenges in the department. Mr. Letteri stated that employee relations and recognition has been part of their function, along with performance management, workplace safety and wellness, and teacher licenses, certifications and training. He said that this budget is actually decreasing due to a change in the allocation.

- **County Attorney**

Mr. Letteri reported that the County Attorney's office provides legal counsel and advice for all civil matters to the Board of Supervisors, the School Board, and other boards and agencies and officials of the County, in a variety of different areas. He said that eight people are employed in this office, with total operating costs at approximately \$1.1 million. Mr. Letteri stated that there are only minor increases in costs, mostly related to cross-departmental additions.

- **Finance**

Mr. Letteri stated that the Department of Finance is also a very large, complex organization involved in both school operations and local government, and they are responsible for the overall financial management of the County, including financial reporting, assessment, and collection of all local revenues, cash management, debt management, risk management, and financial systems management functions. Mr. Letteri stated that Finance also provides services to the public and local government entities, including Albemarle County's joint entities and the public schools, with services including payroll, accounts payable, procurement for both the County and schools, capital financing, general accounting, quarterly and annual financial reporting, economic vitality monitoring and reporting, and revenue forecasting. He stated that the total department is at approximately \$5 million, with increases at 1.6% or \$79,000, and most of that is due to cross-departmental increases, but they also saw a number of decreases, including \$104,000 for moving the CAFR preparation in-house. Mr. Letteri said that there is an increase of \$57,000 in support of modifications to the financial systems, and an increase of \$40,000 set aside for special litigation. He stated that the department also included the addition of one position for a materials inventory and supply manager, which relates to the new storage and warehouse operation that will be on the lower floor of the new library. Mr. Letteri said that staff is excited about this, as the whole combination of moving the operation out of the rented facility and into the library has actually saved them substantially, and they have substantially reduced the size of the space used for warehousing and storage – and this position will allow them to move surplus much more quickly and utilize that smaller space in a more efficient way.

Ms. McKeel asked if County government has been working with the schools as far as the storage and records piece, because they have a huge issue with that. Mr. Letteri said that they are a major part of the operation, and it is fully funded through the Finance Department as a joint initiative. He stated that they will store school records, school surplus materials, equipment and supplies, all of which will be included in this facility.

Ms. McKeel noted that Albemarle High School has been losing classroom space that they greatly need because they are having to use classrooms for storage.

Mr. Letteri said that this does not represent 100% of the schools' storage needs, and there are other storage facilities in the schools that will need to continue. Mr. Foley mentioned that this is just storage for administrative needs.

Mr. Letteri said that a lot of the storage space is used for furniture, which ends up getting surplus and then sold – and Finance is now using an online service, "govdeals.com," to move the equipment quickly, which will more than offset the cost of the new position.

He stated that the Finance Department has achieved a great number of efficiencies this year, and he wants to acknowledge that their movement toward using a lot more technology to provide more efficiency in the way they process things – and just the number of checks issued on a monthly basis has gone from 2,500-3,000 down to 1,000. Mr. Letteri said that they are using P cards more often, which eliminates the need for a lot of staffing time so they can concentrate on doing the things necessary for such a large operation.

Mr. Boyd said that Mr. Letteri mentioned that the County provide some transfer funds to the schools of approximately \$400,000 for HR, since it is run predominantly from there, but they did not get any reimbursement from the schools for other shared departments such as Finance. Mr. Letteri said that is correct.

Mr. Foley said that this is a factor in per-pupil costs, since these are completely borne by the County, and they do it in HR but not with other departments.

Ms. Mallek said that it will be helpful to see these percentages related to how much of that work is done for them.

Mr. Boyd said that it is value added for the schools.

Mr. Foley stated that it is something that will be reflected in per-pupil costs otherwise, and is something they have provided information on and can follow up with if necessary.

Ms. McKeel said that it will be interesting to see what will come forth once the committee is established, to look at how to reduce some costs in general.

Mr. Letteri said that the Finance Department represents a great example of how that can happen, such as use of technology and combining operations.

Ms. McKeel said that there can be other things picked up by the schools such as custodial services, and there are some opportunities both ways.

Mr. Letteri stated that page 82 and 83 define all of the areas of operations in the Finance Department.

Ms. Mallek asked if the categories where there are substantial increases reflects the fact that they are getting more hires in to fill the positions that have been unfilled, such as new assessors. Ms. Laura Vinzant said that Finance has done some reorganization and shifted costs from one area to another.

- **Office of Management and Budget**

Mr. Letteri said that with the Office of Management and Budget, there are 4.8 people in that department, which totals \$405,000, and that department is involved with annual budgeting, long-range planning, performance management, and grant operations. He said that Kristy Shifflett in that department is working to identify grant opportunities and ensure that the County is being compliant in the monitoring and operations of these grants. Mr. Letteri said that there is an increase of \$54,000 or 15.4%, which included half of the funding for a shared position with the Office of Facilities Development, both of which are co-located and in need of administrative support in both grants and in project administration for OFD. He stated that this created opportunities to have one person will could help in both areas.

Ms. Allshouse said that there is a temporary person currently helping the Office of Management and Budget with tasks such as putting notebooks together and organizing the office, and the tracking of grants – which is currently all being done by a senior budget analyst, so an office associate will be helpful in that regard. She said that this person also helps in the Office of Facilities Development with project management and billing, and other things they need to do to keep projects moving forward.

Mr. Foley noted that OMB used to be part of the County Executive's office, so when they broke away that administrative support stayed in that office, so a senior budget analyst picked up those tasks, with a similar situation in OFD.

- **Information Technology**

Mr. Letteri reported that the Department of Information Technology is also a large, complex department involved in many aspects of technology for the County, and they employ a total of 22 people who are involved with systems management – which provides administrative, technical support, and custom programming for HR, payroll, purchasing and financial systems used by schools and local

government. He said they also manage, maintain and update the local area network, wide area network, internet and internet systems, and manage security and backup systems. Mr. Letteri stated that their total increase is \$132,000 or 4.8%, much of which is the cross-departmental increase, and it also includes an additional position for a senior systems analyst that will be focused primarily on public safety issues – stemming from the strong need in police and fire for additional software and technology use, so they will function mostly in that area.

Ms. Mallek asked if that person will be responsible for CAD updating.

Mr. Mike Culp, Director of Information Technology, said that the senior systems analyst will primarily analyze and develop new systems based on fire rescue requirements, and there are numerous new applications coming in – with hospitals all taking in information through wireless mobility. He stated that New World Systems is developing a new system for all of their records management, so this person will be doing a lot of work to help make that a reality. Mr. Culp said they will also be working directly with fire rescue administrative staff to develop their technology strategic plan, and there are two new fire stations with support for 12 additional stations, all of which have sophisticated technology. He added that the vehicles themselves all have on-vehicle equipment that is technology-driven, so that has to be managed as well. Mr. Culp said that it is becoming much more complex, and fire rescue staff has grown a lot since 2007, and this position put them back to where they were at that point – with 22 positions, and 23 if this is approved.

Mr. Culp stated that this is a joint submission by Chief Dan Eggleston and himself.

Ms. Dittmar asked what percentage of this position should be attributed to fire rescue.

Mr. Culp responded that it is 100%.

Ms. Dittmar asked if it will be better to have this located in ACFR, because the County is going to be looking in detail at that department and what it is costing – and having the position located in IT might confuse things a bit.

Ms. McKeel stated that she thought that everything having to do with fire and rescue is going into that account.

Mr. Foley said that they could definitely transfer funding to support the IT position, but the question is where it will be best for the position to be managed.

Mr. Boyd said that there is cost allocations in all of those areas – Finance, OMB, support services, etc.

Mr. Culp agreed that it can get complicated.

Mr. Foley said that in regard to Ms. Mallek's question about the CAD project, that is not something that is managed in IT.

Mr. Culp stated that the CAD project is handled through the Emergency Communications Center (ECC).

Ms. Mallek said that it is a brand new platform, and the old platform became nonfunctioning because of everybody messing around with it, and she does not want that to happen again.

Mr. Culp said that one of the most valuable things about the community is the combined ECC, which saved the community a lot of money.

▪ **Voter Registration & Elections**

Mr. Letteri said that the next department to cover is the Department of Voter Registration and Elections, which provides the means for eligible citizens to register to vote in Albemarle County, to provide information to the general public regarding elections and voting, and maintain a database of all registered voters in the County. He stated that the total department was \$660,000 and is recommended to increase \$83,000 or 14.4%, with \$65,000 of that for dual Presidential primaries this year - \$15,000 for paper ballots and \$45,000 for software for the new electronic poll book programs.

Ms. McKeel said that this struck her as something that can vary greatly from year to year.

Mr. Letteri confirmed that is the case.

Ms. Mallek said that this year they are bringing on the new machines, and County Registrar Jake Washburn has assured her that it is all covered.

Ms. McKeel noted that those costs are in the CIP.

- **Judicial**
 - **Clerk of Circuit Court**
 - **Commonwealth's Attorney**
 - **Office of the Sheriff**
 - **Circuit Court**
 - **General District Court**
 - **Magistrate**
 - **Juvenile Court**

Mr. Letteri stated that in the judicial category, these costs totaled \$4.8 million in operations, including the Sheriff's Department, the Commonwealth's Attorney, the Courts, the Public Defender, and the Clerk of the Courts.

Mr. Sheffield asked if there is a list of all the new positions and the associated dollar amounts. Ms. Allshouse said that it is not as a separate list, but she can provide that to them.

Mr. Letteri said that the Clerk of the Court and Sheriff's office have very few changes, with the only real changes representing cross-departmental, but the Commonwealth Attorney's Office has added both a legal assistant and a full-time attorney, and this budget represents the full cost.

Ms. Dittmar said that she thought it was two attorneys and an assistant, which was Denise Lunsford's request of the Board outside of the budget cycle.

Mr. Foley said that staff will follow up on that.

Ms. Dittmar stated that they have funded the two attorneys because the state is not funding it, and asked if they will track whether or not they will allocate properly for that.

Mr. Davis said that at some point in time it is possible that the Compensation Board will allocate for those positions, but it has been underfunded based on formula and is a competition for those positions with other localities. He said that it is a good point that someone should continue to pursue those allocation of funds.

Mr. Boyd asked if the County handled the payroll for them. Staff confirmed that it did.

Mr. Boyd said that HR will be the proper place to find this out.

Mr. Davis said that they will know if they did it, the question is who is asking for it.

Ms. Dittmar said that if there is competition for the funding, they might see that Albemarle came up with the funding and move onto the next candidate.

Mr. Foley said that staff will contact the Comp Board directly to get clarity on this item.

Ms. Mallek said that they should qualify for more than they were before, because the clerk is cleaning up that operation and filing forms properly – so hopefully that will filter into the new application.

Mr. Letteri referenced the County's contributions to the various courts – the Circuit Court, General District Court, Magistrate and the Juvenile and Domestic Court, with less than 1% change in that operation. He said that this budget proposes that the County's judicial contributions to the public defender's office be increased on the same basis as overall salary increases to employees. Mr. Letteri stated this does not represent the public defender's office request, as they have come back with a different methodology as to how to compute it, and the County has tried to work with the City to establish a single methodology and recognize that they still need to do that.

Mr. Foley said the County has pursued that, but the City has said they will not pay based on what the County paid – so he did not think that there is another avenue to pursue with this.

Mr. Letteri stated that they recognize there will be two different rates of payment, they are just trying to develop a methodology that is consistent.

Ms. Mallek said that it is based on the number of County residents served versus City residents, and the County just needs to be paying better for its constituents.

Mr. Davis stated that what was proposed last year was a blended rate using what the County and the City were paying, and there was 51% allocation to the City, with 49% to the County, based on caseload – and the County ended up funding based on that formula, but the City based their share on comparison to the City's Commonwealth Attorney's Office, which ended up being substantially less than what they were asked. Mr. Davis said that the public defender's office now has come back and asked for some additional benefits to be paid for, which staff did not recommend.

- **Public Works**
 - **General Services**
 - **Water Resources**

Mr. Letteri reported that the Public Works category totaled \$4.9 million and includes General Services operations, the general fund transfer to Facilities Development – which is an enterprise fund, contributions to the RSWA, and water resources – which is funded through a dedication .7 cents. He noted that this department operated in many areas of the County, including overseeing the operations of mechanical systems for various County-owned buildings and operations, overseeing environmental compliance mandates, energy conservation program, and corridor beautification. He said that they also operate internal mail services and document reproductions, provide management of small renovation projects, monitor stormwater systems throughout the County, and repair and improve stormwater structures that impact water quality. He stated that General Services' total budget is \$3.7 million, with an overall increase of \$254,000 or 7.3%, \$79,000 of which is assumption of the streamlined postage handling that provides overall efficiency. Mr. Letteri said that as General Services took on new additional facilities, there are additional operating costs associated with those at \$52,000, and there is an actual decrease in various other costs based on trends and rates of what is paid for fuel and such. He stated that there is an \$8,100 increase in capital outlay associated with their use of County vehicles.

Mr. Sheffield asked if the General Services increase last year is due to the new library. Mr. Letteri said that they had a partial increase last year, and this year represents a full year of funding.

Mr. Sheffield asked if that full amount can be identified somewhere. Mr. Letteri said that General Services also included an addition of a full-time maintenance mechanic position, and as they added more complex systems that come with these larger facilities such as the new library, it is far more efficient to have a mechanic in house to be able to maintain and service that equipment. He referenced a summary of the water resources component of the operation, stating that it is the stormwater management funded by the dedicated .7 cents that is part of the tax rate. Mr. Letteri stated that the total increase of \$109,000 or 31% represents the full cost associated with the engineering inspector, which was added back in January; a \$21,000 increase for a temporary part-time office associate; and a \$5,700 increase for the costs associated with permits, fees and maintenance.

Ms. Dittmar asked how they were handling the maintenance mechanic before. Mr. Letteri said that this was driven by a changed environment where they are actually adding facilities and equipment that needs to be maintained, principally with the new libraries and fire stations.

Mr. George Shadman, Director of General Services, addressed the Board and said that they are staffed at where they were in 2005, and since then they have added fire stations and libraries, as well as traveling to Scottsville, Crozet and Hollymead – and soon to the firing range. He said that they have had all of these increased demands, but the staffing levels remain the same. Mr. Shadman said that since 2005, they added COB-5th, the Hollymead Fire Station and the Ivy Fire Station, the Crozet Library, and assumed the responsibility for the Scottsville Library – and they will take on the Northside Library in a few weeks. He stated that their square footage has increased dramatically, but their personnel has not.

Mr. Boyd said that this seems to be an area of potential consolidation with the School Board, as they have a lot more buildings than local government does.

Ms. McKeel said that this is an area that should be addressed by the committee, as well as custodial services.

Ms. Dittmar asked how they have made up for this since 2005, and whether they have been outsourcing. Mr. Shadman said that their preventative maintenance program is contracted out, and large emergencies such as water leaks are handled by Piedmont Facility Maintenance.

Mr. Sheffield said that the age of the facilities are probably helping save some staff resources, because they are new buildings. Mr. Shadman stated that this person would be responding to the day to day calls to those facilities, if there is a leak, a clogged toilet, lights need to be changed.

Mr. Sheffield asked if he can provide a list of those facilities, and the useful life and maintenance anticipated for them. Mr. Shadman said that he has that information and can provide it to them.

Mr. Foley said that they look at the number of facilities and total square footage, and also use a factor that is an industry standard in terms of positions per square foot.

Mr. Sheffield asked when the firing range is scheduled to come on line. Mr. Doug Walker, Deputy County Executive, stated that it is slated to open by December 2015.

Mr. Letteri stated that they will review the water resources component of the budget.

Ms. Dittmar asked if the 0.7 cents that is dedicated is still covering the water resources component, and whether there is anything left over from that. Mr. Letteri confirmed that there is nothing additional beyond what is dedicated.

Ms. Allshouse said that they looked at water resources capital and operating over a five-year period, not just for a particular year. She explained that the allocated dedication went into its own fund, and then it is transferred into different places for where it is used.

Mr. Foley said that in the first year, there was less in operating and more going to capital, and as they have added the position, there is more going to operating and less to capital. He stated that at some point the operations will eat up the money going to capital.

Ms. Dittmar said that if they changed to a service authority or utility district, that 0.7 will be freed up.

Ms. Allshouse said that the allocation is a starting point, but they tried to think of it long term instead of just year to year.

- **Facilities Development Fund**

Mr. Letteri reported that for Facilities Development, most of the funding in support of this department came from the capital fund to an hourly fee, and there is a General Fund component – about \$206,000 – that funded the administration of that department. He stated that the total increase for the department is \$54,000 or 5.6% and some of the changes included a change of \$7,500 or 3.8% in the General Fund portion – including a \$4,000 increase for project management software, \$5,200 in capital outlay for furniture replacement, and \$25,000 for the portion of an office associate shared by OFD and OMB.

- **Agency Contribution**
 - **Rivanna Solid Waste Authority**

Mr. Letteri stated that Public Works contributions to the Rivanna Solid Waste Authority represented an allocation designated from the County's agreement with RSWA for operations that are not self-supporting, including funding for the McIntire Recycling Center and hazardous waste disposal. He said that total contributions are \$502,000 for FY16, which represented an 11.7% increase.

Ms. Mallek said that very recently, that number was \$300,000. Mr. Foley clarified that the components included the recycling costs at McIntire and the Ivy MUC.

Mr. Boyd noted that the price for recycling materials has decreased, which means less revenue for the items collected.

- **Non-Departmental**
 - **City Revenue Sharing**
 - **School Division**
 - **Transfers to Debt and Capital**
 - **Other Uses of Funds**

Ms. Allshouse stated that as they considered positions to be funded, it is important to know that the Office of Management and Budget is extremely thorough in looking at the requests – and what they brought forward has been carefully scrutinized. She stated that non-departmental expenses includes items not affiliated with a particular department, such as revenue-sharing with the City, transfer to schools, and transfer to debt and capital. Ms. Allshouse said that the total amount in this small chapter is \$152 million, and some other uses include contingency funds, places for refunds, the economic development fund, the grants leveraging fund, the innovation fund, pay for performance, salary reserves, one-time training, a fuel contingency, and a reserve for contingencies – which is usually about \$250,000. She stated that there is approximately \$55,000 set aside for the Registrar's Office for a potential 2016 primary for the U.S. House of Representatives, so if it does not occur, it will not be in the registrar budget. Ms. Allshouse added that they have also budgeted for \$90,000 in anticipated savings and efficiencies. She asked that Board members contact her with any further questions.

Ms. Palmer said that at the recent RSWA meeting, Mr. Tom Frederick asked County representatives for some guidance, and Mr. Boyd asked City representatives how they will respond if the County decides to pull out of McIntire and move the recycling out to the County. She said that this got her thinking about some numbers, and she wants to put some of those together and use other examples of recycling centers. Ms. Palmer indicated that Augusta County has 10 separate recycling centers, and McIntire takes in more recycling materials than all of those combined. She said that McIntire has had a decline in recent years, due to the City's single-stream recycling program, and construction in the area – but in looking at what the City reported for all of their recycling, it is approximately 3,360 tons for last year. She said that McIntire took in 1,160 tons, and UVA's source-separated recycling is about 4,000 tons. Ms. Palmer said this demonstrated that McIntire is doing a pretty good job in collecting recycling, and it seems reasonable to her to try to do some advertising to let people know that McIntire is there, now that the construction is over. She stated that McIntire is the only place that takes its glass to be made into new bottles.

Mr. Sheffield asked if this is something they can add to the survey regarding people's awareness of McIntire, because his impression has been that people are aware of it but found it difficult to access.

Ms. Palmer said that she had asked the committee to come up with some questions to provide for the survey, and was told they could get three. She said that people did know the facility is there, but they may not be aware that glass there is reused, or that they source separated.

Mr. Boyd asked if the numbers she has quoted for McIntire are prorated for City and County.

Ms. Palmer said that it is probably combined, but what it indicated is that the McIntire model is at least as successful as other models, and perhaps they should consider some advertisement that the facility is more useful than recent perceptions might indicate.

Mr. Foley said that in terms of a budget issue, it will most likely be a Rivanna cost, because it will promote it for the City and the County in a joint facility.

Mr. Boyd said that if 70% of the tonnage coming to McIntire came from the County, the question will be whether or not they will be better off with multiple locations for them to do source separated recycling.

Ms. Palmer said that the long-range solid waste committee will be coming up with these suggestions, but the numbers indicated that the facility is more successful than assumed.

Mr. Boyd said that he used to take his recyclables to Rivanna, but his hauler is advertising that his company is now doing single-source recycling and that people do not need to separate it.

Ms. Palmer said that was not really the case, but they can discuss that another time, and said that it is one of the reasons that the volume has gone down.

Ms. Mallek said that this is something that they should ask Rivanna about, and perhaps if they will pay for it they can ask the City if they will support a 70/30 cost split.

Mr. Boyd said that at the RSWA meeting, the City's representatives said they will have to take it back to Council.

Ms. Dittmar asked if the \$3.6 million additional for schools is in addition to their regular revenue sharing. Ms. Allshouse said that this is per their calculation and the changes done with capital.

Mr. Foley said that there is reassessment growth in revenues as well as the growth in other sources that are shared, and then there is the money back from capital that also went 60/40. He stated that these two things – the normal formula along with the one penny moved back through the Board's action – is what created this, and that is according to the 60/40 formula. He said that the initiative gave them more because of the penny that went back.

Ms. Dittmar asked for clarification that the \$1.25 million gap for the schools is now down to \$880,000. Mr. Foley said that they have estimated that they will get about \$300,000 out of the teacher salary increase number.

Mr. Letteri said that they are using the lower estimate, but it is between \$300,000-400,000.

Mr. Foley said they will be trying to assess the impact of the state numbers in the coming week, and will have a report for the Board very soon.

Ms. Allshouse clarified that she has a list of things staff is going to get back to the Board as soon as possible by email, but also a list of things that they will talk about as they are finalizing their budget.

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

Ms. Mallek said that she will be sending an invitation to the Board about a hike to the Blue Ridge Tunnel, guided by Supervisors in Nelson, and she would like them to get back with her as to their level of interest.

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

Ms. Lee Catlin said that VDOT is interested in doing a press conference on March 5, following the March 4 notice to proceed on the Route 29 Solutions projects, and they are interested in having City Council and the Board represented. She said that she spoke to Ms. Dittmar about it as Chair, and Mr. Sheffield as their PDAP representative, and said that Ms. Dittmar has suggested finding out if other Board members are interested in attending.

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

At 6:14 p.m., Ms. Mallek **moved** to adjourn the Board meeting to March 3, 2015 at 3:00 p.m. in Room 241 of the County Office Building. Mr. Boyd **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.

Chairman

Approved by Board
Date: 09/02/2015
Initials: EWJ