An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 12, 2012, at 9:00 a.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from March 7, 2012.

PRESENT: Mr. Kenneth C. Boyd, Mr. Christopher Dumler, Ms. Ann Mallek, Mr. Dennis S. Rooker, Mr. Duane E. Snow and Mr. Rodney S. Thomas.

ABSENT: None.

OFFICERS PRESENT: County Executive, Thomas C. Foley, County Attorney, Larry W. Davis, Clerk, Ella W. Jordan, Assistant County Executive, Bryan O. Elliott, Assistant County Executive, William Letteri, and Director of Budget and Performance Management, Lori S. Allshouse

Agenda Item No. 1. The meeting was called to order at 9:05 a.m., by the Chair, Ms. Mallek.

Agenda Item No. 2. **Work Session:** FY 2012/2013 Operating and Capital Budgets.

Mr. Foley stated that staff would be covering the capital program as well as the remainder of the general fund, and the School Board would be meeting with the Board the nest day. He noted that according to their schedule the tax rate and budget would need to be set on Wednesday, and the tax rate would need to be officially adopted by April 15. Mr. Foley said that the schools would be impacted by the General Assembly, but local government could probably estimate its allocations from the state. He also stated that the tax rate required an affirmative vote as there is no rate the County can fall back to.

Mr. Letteri addressed the Board, stating that there were three categories that covered the operating budget, Administration, Judicial, and Public Works. He reported that internal operations totaled \$11.2 million of the total operating budget, and the proposed budget for FY13 represented an increase of \$683,000 or 6.5%. Mr. Letteri said that within administration there were eight groups, the largest subcategory was Finance and he noted that many of the departments worked with both local government and schools. He stated that in the Board of Supervisors category, there was a decrease due to the cost of the annual audit and public official liability insurance which had gone down, and in the County Executive's office there were minor increases in the cost of memberships in groups like ICMA.

Mr. Letteri said that the budget for Finance was \$4.5 million and staff was proposing an increase of \$452,000 or 11%, with the largest part due to staffing. He stated that staffing had been the subject of both the resource utilization study and annual audits for the past two years. Mr. Letteri said that Betty Burrell had been in her position as director for almost eight months, and had been able to reflect on their reports and evaluate her staff taking major steps toward shoring up the operation.

Mr. Snow asked if there was a cost benefit analysis available.

Mr. Letteri responded that Ms. Burrell's efforts in stepping up collections had been an important contributor to shoring up the budget with almost \$3 million recognized in the overall operating budget. He said that one of the staff positions was an auditor, and with that position there would be enough additional revenues generated to more than offset the cost.

Mr. Rooker stated that he had been on the audit committee for six years, and the benefit was around \$6 or \$7 for every \$1, and that the Finance Department had been understaffed for a while.

Ms. Mallek added that the County had put an extra burden on the Finance Department's staff with ensuring that people complied with the revalidation requirements.

Mr. Letteri said that the other two positions was a buyer in the Procurement Division, which was a large operation that covered the schools and local government, and in recent years had been identified as being understaffed; and a position in the Payroll Department, which has only three full time people that covered the schools and local government. He stated that the auditors had pointed out that payroll was an area of high vulnerability and risk. Mr. Letteri also noted that cross training within the Finance Department was needed, with several pending retirements.

Mr. Boyd asked if it was a total of three positions that were being added.

Mr. Letteri explained that the three positions that were being added was the auditor, the buyer in purchasing, and the payroll position.

Mr. Thomas asked how many were staffed in the Purchasing Department now.

Mr. Letteri stated that there were three staff members.

Mr. Thomas noted that the department had always been small, and that at one point there were only two people.

Mr. Letteri explained that it was about compliance, risk litigation, and opportunity.

Mr. Boyd asked if the total cost in the County Attorney's Office included outside contracted legal assistance.

Mr. Davis said that the budget included very little outside legal assistance. He explained that if there was a lawsuit that required insurance counsel, the deductible for that was absorbed by the department that was the generator of the lawsuit. Mr. Davis also stated that the cost of specialized legal counsel was generally absorbed by the department that required the service.

Mr. Boyd asked if there would be other places in the budget that would show that expense.

Mr. Davis said that there would be other places in the budget.

Mr. Boyd stated that it seemed as if there had been a lot of litigation, with the contracting of outside counsel.

Mr. Rooker explained that they were all insured except for the deductable.

Mr. Letteri mentioned that the Finance Department was setting aside a contingency for litigation and legal services.

Mr. Boyd asked if the County was above or below the industry standards for Human Resources as far as the ratio of staff supporting employees. He also asked how the County lined up in terms of average salaries because some of the salaries seemed pretty high.

Mr. Letteri explained that there had been surveys conducted on the number of employees, which found that, the County was well within the ratios from around the state.

Mr. Boyd asked if the County was comparing to private industry and public sector or just the public sector.

Mr. Foley said that staff would pull the information and bring it back to the Board.

Mr. Snow asked what the ratio was.

Mr. Foley stated that staff would bring the information back.

Mr. Boyd stated that he was curious with how the County's average HR salaries line up with other localities.

Mr. Snow said that he recalled the County's ratio was good compared to the private sector.

Mr. Foley stated that staff had all of the data and would look it up.

Mr. Rooker stated that HR was a department where the information on the number of employees within the department wasn't on the sheet or wasn't summarized in various categories.

Mr. Boyd commented that he would also like to know the ratio for the school system.

Mr. Letteri and Mr. Foley said they would bring that information back to the Board.

Mr. Rooker mentioned a footnote after the table on Page 69 that said there were 20.05 FTEs in Human Resources for FY12-13 that were classified as employees of the school division, with an additional two positions in Organizational Development.

Mr. Letteri reported that the increase in Voter Registration costs was due primarily to cross departmental increases and the Presidential election pending in November, adding that the total annual budget was about $578,000 with $47,000 of that from the state.

Mr. Boyd asked for more information on the $250,000 in IT reserves.

Ms. Laura Vinzant explained that the same amount had been budgeted for several years, and at the end of the year it would fall into the fund balance and then go into capital, adding that it wasn't being accumulated.

Mr. Foley clarified that it was the operating impact of the maintenance agreements and once the County shifted to the new system, and if it didn't get completed it was put into the fund balance.

Mr. Michael Culp said that the IT Department had one major system left and until it could be removed from the old system the County would have to pay maintenance on the mainframe.

Mr. Letteri stated that the overall increases to the operating budget was about 6.5%, or $683,000, and all of the departments continued to work very efficiently with very lean staffs and a continued eye toward efficiencies and innovation. He noted that the IT Department had been able to maintain a 99.9% up-time in all major systems throughout the year, which was a major accomplishment especially in light of the transition to Access Albemarle. Mr. Letteri said that IT had also increased their innovation in using mobile technologies, and the department had been recognized at the State and National level for technology based innovation. He stated that the Finance Department had expended significant effort this year in getting Access Albemarle up-to-date, and the amount and complexity of work in that regard had been extraordinary. Mr. Letteri said that staff had implemented the financial modules to that system, which had been used to create the audit reports quickly and accurately. He stated that the AAA bond rating awarded earlier in the fiscal year was an affirmation of the management in finance, and said that Ms. Burrell had been stepping up collection efforts with an entirely new program that would contribute significantly to overall budget revenues. Mr. Letteri also reported that the County had maintained a 97% sales to assessment ratio which was among the best in the state.

Ms. Mallek asked if the computer aided mass appraisal system would be coming online to be used this summer and fall.

Ms. Burrell explained that staff had not yet acquired the system, but it was in process and she expected that it would be up and running for the 2013 assessments.

Mr. Boyd commented that there needed to be more publicity on the 97% sales/assessment figure, as Board members had received emails from people complaining about it.

Mr. Letteri reported that the four divisions under Judicial included the Sheriff's Department, the three court systems plus the Magistrate's Office, the Clerk of the Circuit Court, and the Commonwealth's Attorney. He said that the total funding level proposed for all categories was $3.9 million, an increase of $130,000 or 3.4% over last year's budget, with only minor changes recommended.

Mr. Snow said that the State had made a really big deal out of reducing the number of mandates, and asked what types of mandates may be changing regarding Courts, Schools, and everything across the board.

Mr. Boyd stated that most of what he saw was reducing requirements, which would impact labor costs.

Mr. Letteri stated that he wasn't aware of any changes, but he would bring information back to the Board.

Mr. Boyd stated that he had noticed the increase in VRS for all of the Constitutional Offices, and asked if the County had to pay for all of their VRS because Constitutional Offices were State funded operations.

Mr. Letteri stated that the County didn't the pay the entire amount.

Mr. Boyd asked if the VRS cost went up in proportion with the way the County supplemented the salaries of Constitutional Officers.

Mr. Foley confirmed that it did, and added that the County paid 1/3 of the expenses of Constitutional Officers budgets.

Mr. Letteri reported that staff had been looking carefully into the Clerk of the Circuit Court operations, because that unit had been the subject of an audit suggesting that there needed to be some focus, in staffing and management to raise the level of performance.

Mr. Letteri also stated that there had been some level of increase in the Commonwealth's Attorney's office, due to additional State support for Constitutional Officers, with the total budget at $945,000 and State revenues representing about $458,000.

Ms. Denise Lunsford addressed the Board, stating that her department's budget was primarily comprised of staffing, and that her staff used free online research materials and State provided codebooks. She said that the Commonwealths Attorney's Office prosecuted crimes that occurred in the County, and supported the Albemarle County Police Department by consulting with them on their operations, as well as remaining available 24 hours a day for the department as needed. Ms. Lunsford stated that her office would be re-approaching the Board with a request for a reallocation of funds that were collected through fines and forfeitures, which she anticipates to be around $60,000. She stated that there was an increase in revenue in the area of $145,000, with $124,555 in gross receipts from her office's efforts in collections. Ms. Lunsford added that with the requested funds she planned to hire a part-time Attorney. She also explained and that Comp Board standards indicated that her office should have an additional 1.5 Attorneys.

Mr. Dumler asked how the Commonwealth's Attorney's Office compared in percent to other offices.

Ms. Lunsford responded that the Commonwealth's Attorney's Office wasn't really high on the list but they weren't far down either.

Mr. Foley stated that staff would follow up on the request and if there was a change then staff would put it in as part of this year's budget.

Ms. Mallek said that procedurally things that were collected through the Commonwealth's Attorney's efforts should go into their account, rather than into the local government.

Ms. Lunsford said that FY11-12 was the first year her office elected to collect fines and forfeitures and that she made a pledge to the Board that the funds collected would go into the general fund. She said that the County netted $61,000 and that June 30 would be the end of the second fiscal year her office had done collections. She explained that the money wouldn't be available until after June 30 for allocation, and that she would be asking for a reallocation for the FY12-13 budget the money became available

Mr. Foley explained that it was a general fund revenue so it would work like any other revenue of the sort and that Ms. Lunsford had a case for wanting to get help for her office, and there was not a separate account but staff would project it, and the Board would decide to allocate it for the offices needs, and staff would bring all of it together in a package.

Mr. Boyd stated that he had heard that the State was taking back fees that were coming to the County.

Ms. Lunsford stated that she had looked into several resources, and had not figured out what was in the State's budget, but she hoped to know something in the upcoming weeks. Ms. Lunsford added that she had been told that the General Assembly was anticipating entry level salary adjustments for Commonwealth's Attorney's, to create parity because currently entry level Commonwealth's Attorneys earn less than entry level Public Defenders and Attorneys General positions. She said that there could possibly be a slight increase in State funding for one of her lower level attorneys.

Mr. Boyd asked if there would be more revenue if Albemarle crosses the 100,000 population level.

Ms. Lunsford responded that it would mean approximately $9,000 for the Sheriff and $5,000 in salary for the Commonwealth's Attorney, but she didn't think it would start until November 2012.

Mr. Foley stated that staff would incorporate the required change and make the proper budget adjustments when the County received the information.

Mr. Letteri reported that the Sheriff's Department was intensively using vehicles as part of their operations, so associated costs such as fuel, repair, maintenance and auto insurance was a part of the department's increase of about $15,000 with $33,000 related to public safety reclassification and a decrease in State support the County receives for Constitutional Offices. He stated that this resulted in a net increase of $85,000 total to the budget, or about 4.3%.

Mr. Thomas asked if the State would continue to decrease the support for Constitutional Officers.

Mr. Letteri responded that staff didn't have any indication if the State would continue to decrease support.

Mr. Letteri stated that there was an overall $131,000 or 3.4% increase, and that some income increases were due to the population threshold. Mr. Letteri said that staff would continue to focus on the Circuit Court Clerk's office operations for possible improvement and assistance. He also added that the Sheriff was continuing to look for more innovative ways to fund his operation, including a foundation to generate donations that support the use and operation of volunteers.

Mr. Rooker asked what happened to the work release program for the clean-up of highways and roads.

Mr. Letteri said that he didn't have an update at the moment, but that he would check on it.

Mr. Letteri reported that in the category of Public Works, the three division areas were General Services, Facilities Development, and RSWA contributions. He said that the overall budget was $4.4 million and the increase for FY13 was $81,000 or 1.9%. Mr. Letteri stated that the General Service budget was slated to increase by $65,000 or 2.1%, and it funded the program coordinator position associated with the energy efficiency conservation block grant through November when the grant concluded. He said that other costs included utility rate increases, project work, the implementation of the Federal Highway Safety Mandate, and tree replacements at the COB-McIntire. Mr. Letteri added that General Services did a great job with fuel efficiency and energy conservation and continues to look for innovations. He stated that the department had looked at historical data to project utility and energy costs for the County over a four-five year period, and for FY11 the County was saving about $183,000 in fuel costs.

Mr. Boyd asked for more information on the Federal Highway Safety Mandate.

Mr. George Shadman stated that the Federal Highway Safety Mandate appeared twice in the budget. Once in operating, and once in the CIP, and the increase was due to larger signs and sturdier posts. He explained that staff had taken historical data to come up with the estimates.

Mr. Boyd asked what was printed on the signs.

Mr. Shadman explained that the signs were 911 street signs, and that there was a new standard that all signs must be replaced by 2018. Mr. Shadman said that as signs were destroyed, worn out or stolen, the County would replace them with the new standard.

Mr. Davis explained that it was a National Standard and Federal Highway requirement that was being implemented. He said that the basic change was that signs must contain lower case letters rather than all capital letters.

Ms. Mallek stated that the change made the signs much more readable.

Mr. Rooker asked if there were any changes expected in General Services expenditures as a result of the TMDL requirements.

Mr. Letteri said that at this stage it couldn't be quantified, and Mr. Shadman stated that staff was working with the Rivanna River Basin Commission and the TJPDC to establish parameters but there wouldn't be anything in the operating budget at this time, only in the CIP. Mr. Shadman said that the operations budget would include inspections and maintenance of existing ponds.

Mr. Thomas asked if there was any money set aside for the TMDL impacts

Mr. Shadman said that it was complex, and staff wanted to retain the services so someone could evaluate the mandates and their impacts.

Mr. Letteri explained that there would be costs, but they couldn't be quantified yet.

Mr. Boyd asked if the Facilities Development Department was for both schools and local government.

Mr. Letteri explained that the purpose of forming OFD was to provide expert project management services for projects in the capital fund for all the different divisions. He noted that the schools had a Facilities Department that was involved in the routine day to day maintenance of the school campuses with a budget in the capital program of about $4 million. Mr. Letteri said that the capital components of the capital program were managed by OFD, which had a very small staff given the volume of projects and work that are conducted.

Ms. Allshouse briefly reviewed the items the Board had requested for follow-up information.

(Non-Agenda. At 9:59 a.m., the Board recessed and reconvened at 10:05 a.m.)

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Work Session: Capital Improvements Program (CIP).

Mr. Letteri presented the recommended CIP for FY13-17 and the capital needs assessment for FY18-22. He thanked all of the staff who had assisted in the process. Mr. Letteri said that he would also provide an overview of debt equity, the components of revenue and resources, and proposed expenditures by functional area. Mr. Letteri stated that staff and the Board had looked at both the five year CIP and the capital needs assessment period. He said that there had been some additions to the capital program that had not yet been factored into the recommendations, pertaining to proffers and an additional credit from VPSA. Mr. Letteri stated that Board members had asked questions about capital balances and funding within the capital plan and that staff would present a brief overview of the balances along with a handout. He said that the objective was to get the Board's input on the overall recommended plan and stated that he would address some changes in accounting of project management fees and services, and noted that he would leave time to talk about school busses.

Mr. Letteri reported that the CIP process began formally in August, but in preparation for the submittals, departments worked throughout the year in developing their capital needs. He explained that budgets were submitted in September to the OFD and OMB, where staff carefully reviewed them for accuracy and completeness, and added that sometimes questions went back to the departments. Mr. Letteri said that the documents then got forwarded to the Technical Review Team, which was charged with prioritizing the needs and presenting a balanced budget. Mr. Letteri also noted that the teams build and balanced the budget on an equalized tax rate, with ½ cent dedicated to capital as directed by the Board.

Mr. Letteri stated that the Technical Review Team's work in prioritizing was based on a very objective matrix that looked at various criteria in terms of priorities, and once finished staff sent them to the Oversight Committee, which functioned on a broader, more policy oriented level. He said that staff also sought input from the joint boards and the Planning Commission. Mr. Letteri said that during the month of February, the Executive Office reviewed the ideas and suggestions and put them into a final packet. Mr. Letteri stated that the work sessions provided an opportunity for additional input before staff presented the final recommended CIP plan, at which time the Board would adopt the program and appropriate the first year of the plan.

Mr. Letteri presented a slide depicting requests versus funding noting that the volume of requests had been far exceeding recommendations, and said staff followed the pattern of the adopted CIP plan.

Mr. Rooker asked if the committee made any recommendations at all with regard to things that were not being funded that were critical.

Mr. Letteri responded that the committee identified projects that were not affordable in the five year period that could move to the Capital Needs and Assessment (CNA) period, or to show by virtue of a watch list the projects that were unfunded critical priorities.

Mr. Rooker pointed out that there was nothing in the CIP for revenue sharing, transportation, or sidewalks.

Mr. Foley explained that there were things the County would likely have to pay for, such as Court renovations that were not reflected.

Mr. Snow said that the County was funding basic needs, but as the economy improved there could be additional money allocated to the CIP moving forward.

Mr. Foley explained that staff had projected out some growth, but it still wasn't enough money to provide things like sidewalks but if the growth exceeded expectations there would be additional funding available. He also said that staff had projected conservatively but felt that it was fairly realistic.

Mr. Letteri said that he had highlighted policies and goals that were key to the discussion, pointing out that good policies and financial health around capital programs were among factors that were really important to the County's AAA bond rating. He stated that the first set of policies pertained to debt ratios, and there was one that looked at tax base in addition to one looking at total revenues and in each case, the County was well within the guidelines for total debt outstanding. Mr. Letteri explained that if the Board wanted to increase funding to capital, the County could afford to borrow more within comfortable guidelines, but that didn't mean the County had the financial cash or wherewithal to do that borrowing. He stated that the amount going to current revenue was about 2% of the whole transfer, with about 12 cents of the tax rate transferred to capital for FY13 but most of that was dedicated to debt service.

Mr. Snow asked if the funding for the library that the Board was proposing to fund in the CIP or is it listed as a separate item.

Mr. Letteri stated that the funding was incorporated into the CIP plan and that it is proposed to be funded in FY13.

Mr. Rooker added that the County was proposing to borrow all of the money for the library, and that it didn't have anything to do with how much cash the Board put into the policy. He said that the County was borrowing virtually everything that is put into capital.

Mr. Letteri said that the last priority policy was to maintain a reserve of at least $2 million, which the County had accomplished. He stated that the debt service policy targeted for debt as percent of revenues and debt as a percent of tax base, which both were well within the guidelines for AAA.

Mr. Letteri reported that the goal for revenue generation versus paying for debt service was 3%, and in 2007-2009 the County hovered around 5% with the last three years being around 0%, meaning that the vast majority of funds going into transfer were being used to pay existing debt service. For FY13, he said, the number had improved somewhat.

Mr. Rooker asked if it assumed that the $1.5 million would go into transfer.

Mr. Letteri responded that it was not yet included.

Mr. Letteri presented a slide of the general fund transfer, indicating the amount dedicated to debt service and emphasized that the transfer amount had been well under 3%. Mr. Letteri said that he was cautionary about the extent to which the County did not have enough cash infusion into the capital program, and that he thought everyone should be thinking about the future.

Mr. Rooker asked if the 1% was 1% of the operating budget.

Mr. Letteri confirmed that roughly $6.5 million would be the 3% target.

Mr. Boyd pointed out that about 67% of the capital program would be financed, which was not a small amount of money.

Mr. Letteri explained that the County had two very large maintenance budgets in the capital program, one for government facilities at about $1 million a year, and one for school facilities at about $4.5 million which only amounted to about $160,000 per campus or enough for routine maintenance. He said that the County was funding a lot of that routine maintenance with debt.

Mr. Boyd said that he would like more information on the tier system for ranking items in need of repair or replacement.

Mr. Letteri stated that the County was doing a good job of maintaining its current assets, and the Board had always made it a priority to fund existing facilities so that they're properly maintained.

Mr. Letteri presented a summary of resources that went into the capital program, noting that most of it was in the form of loan proceeds with other areas being a gradual use of reserve balances over time, local revenues in the form of proffers or interest earnings on accounts, and some state revenues and grants. Mr. Letteri also mentioned that the total five year revenues to the CIP were about $80 million.

Mr. Rooker asked if the County was building reserves every year, since it was using reserves at 10.1%.

Mr. Letteri said it was reducing what was kept in reserves, not recurring money. He said that staff showed over the five year period that the reserve currently at $12 million would reduce to $2 million by the end of the five year period.

Mr. Boyd commented that the County had been able to roll money into reserves at the end of the year.

Mr. Letteri agreed that staff had been transferring end of year surpluses.

Mr. Letteri reported that the expenditure pie chart intended to provide a general sense of how capital funds were utilized, with the schools being a major portion at 44%, public safety was a large part because of apparatus replacement and fire station construction, and Public Works was 9% due primarily to mandates and annual maintenance of facilities. He stated that staff had assigned only maintenance projects to Parks & Recreation, with the library component up principally because of the proposed library funding in FY13, and technology funding ongoing.

Mr. Thomas asked what the 9% for Public Works would be if the library wasn't being funded.

Mr. Letteri said that the total funding for libraries for FY13 was around $7 million, $6 million of which was associated with the Crozet Library.

Mr. Foley stated that it was an unusual pie because the schools didn't submit all of their future projects due to their capacity study, so normally the 44% would be more like 60% of the CIP.

Mr. Rooker asked if staff felt that the revenues would be adequate to cover the increase in school requests.

Mr. Letteri responded that staff had set aside reserves as contingency, but the schools had not yet finished their study and with 27 campuses it was likely the schools would have renovations due. He said that staff had held about $585,000 per year in the current program to offset some of that liability to help leverage debt service. He said that the other contingency was for fire apparatus, and the request there was much larger than what was being proposed for funding.

Mr. Letteri presented a summary slide on funding sources, with the general fund transfer being the primary resource to the CIP. He said that it used to be based on 15 cents, but was now funded on about 12 cents of the tax rate depending on the change in growth of revenue. Mr. Letteri noted that in FY15 and FY16, most was going to pay debt service with little additional revenues. He said that the funding sources include all current revenue, including transfers and surpluses from prior years, with borrowing activity added as loan proceeds to come up with total resources available to capital. Mr. Letteri stated that the fund balance would be reduced over time to about $2 million over the five year period and reported that the project totals were $80 million over five years, with $585,000 set aside as reserve cash. Mr. Letteri also mentioned that there would be income from proffers and a $75,000 refund from VPSA.

Mr. Letteri reported that the courts category was entirely maintenance oriented, with no major projects being done there and a formal court study underway specifically General District and Circuit Court needs. Mr. Letteri mentioned that the options currently were to move all Court operations to a County facility on Mill Creek Drive, to renovate the Levy Building, or to build the Court facilities on the COB-McIntire site. He said that all options were in the $50-$60 million range, and the pros and cons of each needed to be evaluated.

Mr. Rooker asked if there was any State contribution expected for the expense, and Mr. Letteri indicated that there wasn't. Mr. Letteri also confirmed that it wasn't reflected in the five year plan, other than maintenance of existing facilities.

Mr. Foley noted that the court issue and TMDL were the main items of note on the watch list, as they were the most pressing.

Mr. Rooker commented that not putting money away for it now could be problematic later, such as what happened in Fluvanna with their high school.

Mr. Thomas said that the Old Jail was in a very liable position because the walls were in such bad shape.

Mr. Letteri agreed and stated that is was being monitored very closely.

Mr. Foley pointed out that the Historical Society was looking into the old jail renovation.

Mr. Letteri indicated that the Historical Society had returned the keys.

Mr. Letteri reported that the public safety category included a major infusion for the telephone system, which was long overdue. He said that the loan apparatus program was about $12 million, down from the $16 million that was requested with staff recommending a level that was equivalent to previous levels pending the report they will do this year. Mr. Letteri noted that in the out years it was probably not enough funding to support the replacement cycle that would likely be needed.

Ms. Mallek noted that it had been $2 million a year for the last 10 years.

Mr. Boyd said that there seemed to have been millions going into the ECC program, and wondered if they were submitting a budget.

Mr. Elliott indicated that as part of the CIP process the ECC submitted their request in the August timeframe as mentioned previously, so all of their CIP projects were vetted along with the City and the $1.385 million represented the total cost, with the County being the fiscal agent and assuming about 45% of the overall cost. Mr. Elliott said that the ECC board had a reserve balance for facility repairs and HVAC systems.

Mr. Letteri reported that other projects in public safety included funding of the engine required to open the Ivy Fire Station and funding for the EMS facility at Pantops.

Mr. Boyd asked what the $71,000 in the budget was for at the Pantops facility.

Mr. Foley said that it was for equipment that would go on the ambulance.

Ms. Mallek asked where the ambulance would come from.

Mr. Foley responded that it was coming from within the total appropriation.

Chief Eggleston explained that staff thinks they can get the ambulance out of existing resources, and the department was currently in an apparatus revision in terms of rotating it and getting longer life which should in turn free up some additional resources.

Mr. Letteri mentioned that the public safety budget funded the first phase of the firing range component, which helped to acquire the facility that would be used.

Mr. Boyd said that he didn't understand why it was costing so much money just to build berms and improve a road, as the cost was $1 million.

Mr. Letteri responded that the site component comprised about half of the amount, with special equipment required for removing the actual bullets from the berm itself.

Mr. Rooker noted that the road was a big part of the cost, and staff was looking for a way to shorten the road. He said that staff wanted to ensure that the site would be functional.

Mr. Dumler pointed out that it had been scaled back significantly from the original plan.

Mr. Letteri said that the public works category was largely comprised of mandates, with the other piece being the maintenance of facilities at about $500,000 per year. He said that it included an ongoing obligation to the Ivy Landfill and the Moore's Creek Treatment Center, with the County paying its portion of the debt service associated with that project. Mr. Letteri stated that it only showed in the plan two more years for the storage facility lease, as the County was evaluating its total storage needs and considering things like online auctioning and potential disposal of unnecessary records.

Mr. Thomas asked the size of the storage facility that is in the old Comdial Building

Mr. Letteri stated that it was about 30,000 square feet.

Mr. Thomas asked if the County had any square footage at 5th Street.

Mr. Rooker suggested using the old Crozet School, and Mr. Letteri indicated that staff had looked at some basement space that could be accessed but it was a small component of what was needed.

Ms. Mallek said that if the Board could put up an additional $150,000, the County could add an additional 10,000 square feet in the basement of the Crozet Library.

Mr. Foley stated that all of the options could be considered, but what was in the CIP budget now was essentially a placeholder until it could be decided.

Mr. Letteri mentioned that the component included for the storage was only the local government share, as the schools were paying the majority of the costs for the facility with the total cost being $212,000 annually.

Mr. Rooker stated that it was a significant amount.

Mr. Letteri agreed, adding that it was a difficult situation to be in, whether to build a warehouse and then find out later that it wasn't needed.

Mr. Rooker asked if the County paid for all of the Moore's Creek septic receiving, or if it was a shared expense.

Mr. Letteri replied that it was a shared expense, and said the amount shown was debt service.

Mr. Rooker said that he would like information on the total cost, and how much of it was being shared.

Mr. Letteri said that staff would get that information to the Board.

Mr. Letteri reported that Human Development was the County's contribution to the Health Department facility, and in the category of Parks and Recreation there was maintenance only on the existing facilities with the exception of a proposed lighting project at Burley Lane Field. He noted that the big change in the library category was the new Crozet Library, which represented the cost of building the structure but not the cost of books and furnishings as they would be provided by the Friends of the Library donation. Mr. Letteri said that the other costs related to the County's share of maintenance costs for other libraries in the system. He said that the technology/GIS cost was an ongoing cost for routine replacement and Access Albemarle support agreements. Mr. Letteri said that the other main item was the phone switch gear that was coming up for replacement.

Mr. Letteri reported that the only item identified in the storm water category was the study being done to assess the County's future obligations.

Mr. Rooker said that there would likely be expenses for that within this five year period.

Ms. Mallek emphasized that the County did have partners already the TJPDC, the River Basin Commission, and the Soil & Water Conservation District who were working on this 100% of the time. She stated that there was no reason to train someone else to do it, and they don't know any more than those who were dealing with the state on a daily basis.

Mr. Rooker agreed, noting that he and Mr. Snow represented the Board on the Rivanna River Basin Commission and stated that when the total load allocations were established there may be a need for a consultant to come in and make recommendations as to cost effective mitigation methods.

Mr. Foley said that any money spent would be what made sense regionally.

Mr. Rooker asked why the total cost for the RSWA financing was allocated to the County.

Mr. Foley stated that the Board had originally committed to it as a County need.

Mr. Rooker said that it was a project undertaken because of an odor problem in the City, and the County assumed the total cost for it. He mentioned that the City wanted the pump station up fitting to be a shared cost, whereas the County undertook the cost exclusively.

Mr. Letteri stated that it was a much larger project, and what was referenced was the County's requirement so the County was funding their recommended portion of the project.

Mr. Foley said that staff would bring back more specifics on the issue.

Mr. Letteri stated that the last major category was schools, and the primary funding was for routine maintenance for all facilities with about $2 a square foot, which was a reasonable number and that no renovations were included. He said that the other items funded in the category were instructional and administrative technology, much of which was supported by grants. He stated that their contribution to the storage facility was $150,000, and the technology cost of $800,000 was entirely offset by grant monies. Mr. Letteri concluded by stating that the $79 million CIP over five years didn't include the $585,000 set aside to be funded every year.

Mr. Letteri summarized the highlights of the CIP, noting that it adequately maintained existing facilities, continued to support technology systems and equipment replacements required for day to day operations, met mandated obligations, sets aside an unbudgeted project reserve to address TMDL and other watch list items, met the critical goal of maintaining a reserve balance at the end of the five year period, and provided some summary needs for what lay ahead beyond the five year period.

Ms. Mallek commented that she would like to talk more about the Seminole Trail Fire Station, as it would likely cost a full $2.5 million in FY17 if the County waited to proceed.

Mr. Foley said that the set aside of unbudgeted reserves did have some limited scope in addressing schools and fire apparatus, but focused on known mandates.

Mr. Letteri stated that staff had been studying proffer balances, and had identified some possible applications for existing balances although staff hadn't yet been incorporated in the CIP plan. He said that the proffers along with the $75,000 VPSA credit would be included in the final recommended budget going forward. Mr. Letteri said that staff expected a total impact to the overall reserve to be about $360,000 at the end of the five year period.

Mr. Rooker asked if the CIP allocation for the Crozet Library was a one-time charge.

Mr. Letteri explained that the County would pay cash for other components that would otherwise be borrowed, thus reducing the debt.

Mr. Letteri called attention to the watch list, which contained the most notable items in the CIP such as school renovations and additions, which were likely over the five year period, and said that what is in the CIP is not adequate to cover the needs. Mr. Letteri said that the study was underway for the General District Court, and that something would need to be done with the Levy building within the next five years. He added that there were space concerns and needs from the Judges, the Court operations, the Clerk's Office operations that needed to be addressed. Mr. Letteri said that the Seminole Trail Fire Station was among projects ranked very highly in the study as it was a very active important station in the system that didn't have enough room or bays to house its equipment. He also noted that localities were seeing more and more pressure toward devolution as far as transportation funding and would likely bear the brunt of TMDL mandates.

Mr. Foley said that devolution was a dead issue for this year, but the state was instead saying localities had to match maintenance money.

Mr. Rooker asked if there was any way to quantify what might be anticipated in the areas over the next five years.

Mr. Letteri responded that staff had done some of that in looking at the CNA.

Mr. Rooker said that it would make sense to do that in light of pending mandates.

Mr. Foley said that staff would need to do a separate analysis with approximations on road improvements from the priority list and some assumptions on maintenance costs.

Mr. Rooker said that the Board could be more accurate as to whether the $500,000 being set aside would be sufficient for the school renovations and additions. He said that the General District Court renovations would not likely generate expense for the actual work over the next five years, and asked if there had been any money set aside for planning.

Mr. Letteri responded that it wouldn't be safe to say the expenses wouldn't be imminent in the next five years, but they are just not able to be quantified well enough at this point to advance them as a recommendation.

Mr. Rooker stated that what concerned him was the possibility of those items being multi-million dollar expenses that were not planned for.

Mr. Foley said that it had concerned staff also, and in the three to five year range staff expect some significant design money to be needed. He emphasized that there were some costs that were defined, but some that would require a separate analysis such as transportation. Mr. Foley stated that the top four items on the list were things that are not adequately funded.

Mr. Rooker stated that anything that needed to be done on secondary roads would have to be accomplished through revenue sharing, and to approve a budget that had nothing allocated for revenue sharing which was known at the state level to be $350,000 a year was kind of putting a bag over the Boards head and acting like it's not there. He said that it's there, but the Board has got to find some way to deal with it.

Mr. Foley said that the question now was whether the $350,000 required a match, and he thought that anything beyond that would need a match.

Mr. Rooker commented that the County couldn't get anything done for that amount, and there was no money budgeted for sidewalks for the next five years which was not realistic.

Mr. Boyd asked how many sidewalk projects were proposed and left out of the budget.

Mr. Letteri responded that there were a number of projects already underway, but also parts that had not been funded.

Mr. Foley said that the County would be in the best position it had been for years on reporting the watch list items, and it would really become clear in the next year because of the studies that were being done.

Mr. Letteri reported that the schools had proposed that the bus replacements be handled through the capital fund, and said that the schools maintained a fleet of about 220 buses; with 10 year useful lives, and they're replacing about 15 buses per year. He said that the teams considered the proposal from the schools and agreed that buses were appropriate for funding through the CIP, although historically buses had been paid for by the schools. Mr. Letteri stated that the schools were proposing transferring State funding for buses to the capital fund and were considering taking funds from their fund balance to help fund the replacements also, but even combined, those monies were not anticipated to be enough to cover the replacements. He said that the total cost annually for replacements would be about $1.5 million, with about $600,000 identified as potentially transferable for that purpose.

Mr. Josh Davis addressed the Board, stating that the goal was to have a steady replacement cycle and the State had recommended having a 15 year replacement cycle with their funding formulas adjusted accordingly. Mr. Davis said that the State had identified school bus replacement and showed a total they expected Albemarle County to pay to replace buses at about $880,000, with the State's portion being about $300,000. He stated that the State's formulas were very conservative, so the schools believed that their fleet of 220 buses replaced over 15 years would be 15 buses per year. Mr. Davis said that at the end of the year the schools anticipate a fund balance of about $300,000 in the operating budget, which would be a one-time contribution for buses. He stated that the larger, unrestricted fund balance had been discussed by the School Board twice and they would bring it back up again as an official agenda item to help establish some school division support of the CIP.

Mr. Rooker stated that over the last three years or so the Board had received projections from the School Board that they would have a fund balance of $6 million or $7 million, and despite the schools' claims that they would use some of that money the balance remained the same in the following year. He said that there seemed to be a bit of an unrealistic projection as to where that fund balance would end up.

Mr. Josh Davis said that in FY2009-10 the schools added about $1.8 million to fund balance, and during the middle of the year staff learned they were getting a three month VRS holiday. He stated that dynamics such as that does come into play and from his observation in the last three years it does appear that the School Boards budgets to use a certain amount, and they generally come in less.

Mr. Boyd stated that was the reason why he felt it was important that the Board gets the projected values for planning purposes, and they would then see the realistic projected value of how the schools would end up this current year and the Board could plan better next year.

Mr. Foley commented that the key with the CIP was that there were no revenues going to bus replacement, and the schools had initially said $300,000 could definitely transfer leaving $1.2 million, perhaps from fund balance.

Mr. Letteri clarified that buses were not part of the program at the present, and that it was an unresolved issue.

Mr. Snow said that he had no problem funding the buses through the CIP, but his question was whether it would be coming from the County operations budget or the school budget. He said that the State was going to pass over a small amount, but basically the schools were getting off scot free, being funded completely by the County's side of the budget.

Mr. Boyd stated that it amounted to a $1.5 million increase to their budget.

Mr. Rooker said it would be a $1.2 million net increase, and explained that the schools were being allocated about $300,000 per year for bus replacement which would go into the pot and some amount of their fund balance would be kicked into the CIP also. That might actually more than pay for buses.

Mr. Snow stated that the question was whether it would be ongoing or not.

Mr. Rooker said that the formula would remain the same, and there would always be a variable as to whether it worked to the advantage or disadvantage of schools or general government. He pointed out that buses were usually considered capital items, and it was kind of strange that they had been treated differently as a purchased item in the budget. Mr. Rooker said that there would be a burden that fell somewhere, and the question was how it divided.

Mr. Foley noted that in most places in the state, the governing body provided money to the schools for capital, debt and operations and they have their own capital fund.

Mr. Letteri said that the Office of Facilities Development department was established several years ago to provide general oversight to the capital program to ensure timely and effective completion of projects. He stated that the County developed a plan through consultation with accountants for accounts for those funds, in part through the capital fund, similar to architect fees that were capitalized as cost for project management service over the life of the project. Mr. Letteri said that it was also a way to ensure that the volume of costs was proportionate to the volume of the capital program, so that over time it could be adjusted if it went up. He stated that the methodology of project cost allocation had been a uniform 4.5% regardless of how much time was spent on them. Mr. Letteri said that a better method was to develop a fee schedule depending on the nature of the project whether it is a design project, apparatus replacement, or a large construction project, and establish a structure that recovered enough cost to pay for management services. He said that the accountant was supportive of it, as were the users involved in the capital program, and the change was recommended to go into effect July 1.

Mr. Boyd asked if staff compared what private sector costs were, less profit.

Mr. Letteri responded that staff absolutely did, and wanted to establish that the generation of the rates was effective and competitive in the market. He emphasized that it all worked when the program was managed internally, and there couldn't be a hybrid situation whereby departments were going out and hiring on their own, and then expect through the model to be able to support the entire OFD operation. He said that it wouldn't work, the County needed the volume.

Ms. Mallek asked if what was being said was that whatever project management that is needed should come through OFD, but the apparatus people would determine the specs for the engine, since that wasn't their expertise.

Mr. Letteri responded that she was correct and that another consideration was not to burden the allocations at the request level, so that the need was overlaid with the additional fees required to support the management of the project so the final request the Board would see would be the total.

Mr. Boyd said that he didn't have a problem with it as long as staff could ensure that internal charges didn't exceed what could be purchased from outside.

Mr. Letteri stated that the model considered it and allowed for overtime, but that each year couldn't be looked at in isolation so if overall volume went down, staff size would be decreased to keep it proportionate.

Mr. Rooker pointed out that the entire cost wouldn't just disappear if the County were to go out and hire third party consultants.

Mr. Letteri agreed, stating that there was a component that would be charged to the general fund as an ongoing expense because a lot of the OFD staff was involved in studies and evaluations, as well as establishment of the CIP. He said that the whole idea was to try to be more flexible, market driven, and realistic in terms of how costs were allocated.

Mr. Foley said that it was outside of the director and administrative support persons, as they were carried out in the general fund.

Ms. Allshouse said that staff might look at changing it, as a project manager may be working on a plan or a study that didn't have a specific project attached to it.

Mr. Foley noted that Jack Kelsey was a good example, as VDOT did not pay his salary yet he was involved significantly on projects like the Meadow Creek Parkway design.

Mr. Rooker said that when a consultant was hired, someone had to manage him/her.

Mr. Boyd stated that it needed to be watched very closely, as some years would be busier than others.

Mr. Letteri said that it would be brought back to the Board more formally prior to July.

Mr. Snow stated that in the past it had been allocated across the board, and now it was just being made more specific.

Ms. Mallek added that it was also done as a flat fee in the past, and this would change that. She also said that quality assurance was very important.

Mr. Letteri pointed out that it was an extremely important function as the County has had $40 or $50 million dollars in school projects over the last three or four years in all of which has been bought in on time and budget and that minor mistakes in large projects could cost an enormous amount of money.

Mr. Foley said that the equation would probably come out the same way, but this was a much more defendable approach to assigning project management costs.

Capital Needs Assessment

Mr. Letteri reported that the CNA was based upon submittals that were made by the departments that were not limited in any way, but there were things such as the Courts, TMDL measures, fire apparatus, and school needs that were not included in the assessment. He said that there was about $75 million in Public Safety needs identified, and that didn't include fire apparatus but did include the 800 MHz communications system which would cost about $17 million but would be shared with other jurisdictions.

Mr. Rooker asked if there was a possibility of getting grants for the communications system, as had been done in the past.

Mr. Tom Hansen responded that there was a chance to get matching grants, which would be done regionally, and noted that the last time the grant was $6 million with local funding of $4 million toward the cost of the radio system.

Mr. Letteri said that Public Works CNA items totaled $14 million, with project such as window replacements and the Old Crozet School restoration should that be recommended. He stated that there was a staff committee looking into the disposition of that facility, which was currently rented, and they were taking the first step in looking at options.

Mr. Foley noted that as part of that process staff would be bringing back the study that was paid for before looking into options for uses.

Mr. Snow asked about the use of the old library in Crozet.

Mr. Letteri responded that staff had not looked at that in earnest, but it would certainly be explored for possibilities and could be combined with the school use. He said that PPEAs partnerships with private industries that allow them to realize tax credits may help in terms of restoration of that facility, the County can't just leave it as it is and continue to rent it. It really needs some major renovation work, so staff was trying to be ahead of that.

Mr. Rooker said that another option might be tearing it down and getting money from the real estate.

Ms. Mallek commented that it wasn't in the growth area, but might have some residential capability.

Mr. Letteri reported that the Community Neighborhood Development Program had three categories, none of which had been funded over the last four or five years. He said that the CAN would attempt to restore some of that funding. He stated that there wasn't much in the budget for Human Development, but staff was looking at a contribution to a PVCC student workplace center. Mr. Letteri pointed out the various improvement projects in the area of Parks and Recreation, noting that they had once been included but were shelved and were now being reintroduced in the CIP. He said that in the area of libraries, there would be major renovations for part of the central library downtown as well as a need to do something with the northern library with the lease being up for renewal in 2014. Mr. Letteri reported that the Scottsville and southern area libraries would need to be considered as well. He said that the phone system would be updated as previously mentioned, along with some other technology upgrades. Mr. Letteri stated that the ACE Program had some level of funding reintroduced in the CNA.

Mr. Rooker said that four or five years ago the Board had adopted a policy of allocating a penny on the tax rate to ACE, but that had now disappeared. He asked if money from tourism funds was still intended to be allocated to ACE, and Mr. Foley indicated that it wasn't stipulated.

Ms. Mallek commented that it was a disaster to have five years of no funding, and to catch up by putting $2 million a year in was not realistic because of other competing needs. She added that the Board needed to find some money to put back in from tourism.

Mr. Thomas said that the County just didn't have the money to do it right now.

Mr. Boyd stated that it wasn't a core government service and he couldn't support putting any more money into it right now.

Ms. Mallek said that it was pay me now or pay me later.

Mr. Rooker stated that the program had been really successful, and the question was whether it would simply be allowed to die. He said that citizen surveys have indicated repeatedly that people in the County recognize the value of protecting the rural areas, and this had been one of the significant mechanisms by which to achieve that.

Ms. Mallek said that it was pretty much the only way, since the County has not done any regulating.

Mr. Snow stated that he had heard a suggestion of having the County put up $250,000 if the City was willing to match it, as they benefitted just as much from it. He said that he had a hard time justifying putting $9-10 million in the program when capital needs are suffering. Mr. Snow added that ACE would not be at the top of his list.

Mr. Rooker said that the $10 million was just a placeholder, and the strategy here was to find a way to at least make some allocations over the next five years to keep the program in existence.

Mr. Dumler said that he would like to see how much had been spent down, and how much was left in the program now.

Ms. Mallek responded that there would be nothing left after this year, but Ches Goodall could provide more information about the funding history.

Mr. Rooker stated that defunding the program would mean losing the opportunity for matching state grants, and if there was enough to continue the program and match what was available it would at least keep it alive.

Mr. Foley said that if there was some balance left, it could be assigned to the current round of projects.

Mr. Letteri stated that the last category in the CNA was schools, and staff included what they saw as identifiable, quantifiable needs over the five year period. He said that staff propose to do needed studies and evaluations over the coming year with better quantification of long term capital needs in the future.

Mr. Letteri stated that there was a total of $216 million in capital projects identified in the second five year period, which was about triple what was funded in the first five year period.

Mr. Rooker noted that it didn't include schools, courts, or fire apparatus which would likely total over $100 million.

Mr. Rooker said that there were private groups that were actively working to put property into conservation easements, and perhaps there would be some way the County could allocate a small amount of money to facilitate that work.

Mr. Thomas asked if the balance currently in ACE was enough to maintain it.

Mr. Foley responded that staff would need to confirm whether that money was encumbered and committed to other projects.

Mr. Davis explained that every year there was an application process for ACE, and it considered the current year and prior year's applications that weren't funded. He said that there were properties that qualified under the program, but there wasn't enough funding for all of them and now that money was running out.

Mr. Rooker said if the County wasn't going to allocate money to ACE, the Board should at least see what they could do to support the work of other preservation efforts.

Ms. Mallek commented that those groups work only with donated easements, which left out the lower income folks who were the ones who benefitted from the County's program.

Mr. Foley stated that a ¾-time ACE position remained in the budget for FY13, so as the applications dwindle perhaps that funding could be transitioned over to help private conservation groups.

Mr. Davis said that the other requirement was for monitoring of easements to ensure compliance that enabled landowners to qualify for tax credits and other benefits. He stated that currently the position was incorporated within the staff costs of the rural planner and Ches Goodall's position.

Ms. Mallek stated that the qualifications for ACE had become much more stringent, with buffer and stream protection along with steep slope protection. She said that this was the only tool the County had to accomplish this, and another benefit of increasing the acreages in this property.

Mr. Foley mentioned that the CACVB balance could certainly go to ACE, and the question remained about the funding of the CACVB on a regular basis as some of the funding could be used for ACE on an ongoing basis. He suggested that there may be funding for CACVB that wasn't used, and that could possibly go to ACE.

Mr. Davis clarified that 30% of the total, or 1.5 cents, was allocated to go to CACVB per the agreement regarding the five cent transient occupancy tax applied per $100. He stated that three cents of the five cents was required to be spent on tourism related projects, and two cents was unobligated general fund money that has no restrictions on it.

Mr. Foley noted that that agreement could be reviewed by the Board, and if the 1.5 cents was more than needed to fund the CACVB, some portion of that could potentially go to ACE.

Mr. Rooker asked what that would equate to in terms of cash.

Mr. Foley responded that the 1.5 cents would be about $600,000 to $700,000.

Mr. Andy Bowman said that the contribution to the CACVB this year was $620,000.

Mr. Davis said that the 1.5 cents went to the CACVB, and the balance of the 3 cents was now being used primarily to fund Parks & Recreation with the other two cents going to the general fund.

Mr. Foley stated that staff would have more information on that for the Board in the coming months.

Mr. Letteri provided an overview of re-appropriation and balances, distributing a written summation with detail to be reviewed by the Board. He said that capital projects by their nature occur over a period of time, and staff was now bringing forward an initial list in July with the balance brought forth in October. Mr. Letteri stated that often staff would set aside money to buy a piece of apparatus, but the actual expenditure wouldn't happen until the following year. He said that the appropriations were generally large, with last year's being about $16 million. He said that staff tried to categorize them as well as possible into active committed, completed committed, or maintenance related, so there was some sense of the total volume and which were formally obligated. Mr. Letteri suggested that the Board have some time to review the list with questions answered at their next meeting.

Mr. Foley noted that there was money in this for the YMCA that had already been set aside, and said that staff would also need to figure out how many of the local and revenue sharing road projects were actually obligated. He said that David Benish could come back to the Board with more information on the specific road projects.

Mr. Rooker pointed out that the money the Board put into revenue sharing for the coming year had been allocated to specific projects.

Mr. Boyd asked about the appropriated items for FY12, noting that some of the items had been out there for years so the list was more cumulative.

Mr. Letteri clarified that it was an appropriation of all previous balances.

Mr. Foley said that at the beginning of the fiscal year the projects were all brought forward for the Board, so they had acted on everything on the list.

Mr. Boyd stated that the appropriations were generally Consent Agenda items and didn't get a lot of attention.

Ms. Mallek said that the Board had generally tried to make a good decision on a project in the very beginning and have it run its course, not spend a lot of money and then change their mind and go do something else.

Mr. Boyd stated that with the Crozet Library, the Board found money sitting around and applied it there and he would like to look at that holistically with all the projects that were out there.

Mr. Letteri concluded by stating that the County had a model program for how to manage and conduct the CIP program, but there had been some suggestions that came out of this year's cycle that included a need to clarify capital versus maintenance projects.

Ms. Mallek commented that operational expenses were in an entirely different area.

Mr. Boyd said that the school system had no operational impacts from any projects, but he believed that Greer would generate some additional custodians, electricity, or something. He asked if that was just because it was in the School Board budget and not the Board's.

Ms. Allshouse confirmed that there was some impact from Greer in the budget they would be presenting at the joint meeting tomorrow. She added that Greer was part of a prior CIP and thus was not funded this year.

Mr. Boyd said it was helpful to see the cumulative operating budget impact for projects.

(Note: Mr. Snow left the meeting at 12:18 p.m.)

Mr. Letteri stated that other suggestions that had come out of the committee process were a careful analysis of proffer obligations, the balance between spending money up front to understand what needs were, refining the project management fee structure, the need for the TRT and Oversight Committee to work together, and a desire to have committee feedback to be forwarded in full to the Planning Commission.

Ms. Mallek thanked staff for the report and noted the good quality of the materials.

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

Mr. Dumler said that he had sent the Board an email regarding establishing a recommended plant species list, as there had been a number of invasive plants on the City's list.

Mr. Rooker, Mr. Thomas and Ms. Mallek agreed to proceed with endorsing such a list.

Mr. Rooker mentioned that regarding the sign ordinance, the information received from the ARB indicated that signs 30 feet or higher would be acceptable in situations where the architectural features were appropriate. He said that he would like to get clarification from the ARB as to what they mean by acceptable and appropriate, because their recommendation implied a discretionary approach. Mr. Rooker asked if staff could find out if there were any additional objective standards so an item didn't have to go back to the ARB in all circumstances.

Mr. Davis stated that the ARB still had a review process, and the sign ordinance didn't change that for signs in the Entrance Corridor but it did define cornice line, which didn't allow an artificial increase in building height in order to accommodate a sign over 30 feet high.

Mr. Rooker said that the way he interpreted this was that a sign over 30 feet didn't have to go before the ARB for approval, and if that was the case the Board would need to include more objective standards in order to make it an administrative process.

Mr. Davis responded that he would have to go back and review it, but the way the ARB covered that was to say if there was a countywide certificate of appropriateness then the standards would be incorporated in that.

Ms. Mallek said it was important that there be predictability and standardization.

Mr. Foley mentioned that staff especially Ms. Allshouse had done a very thorough job in going through the school budget in order to provide information to the Board in this review.

Ms. Mallek, Mr. Rooker and Mr. Boyd thanked them for the extra effort.

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Agenda Item No. 4. Adjourn.

At 12:25 p.m., **motion** was offered by Mr. Boyd to adjourn the Board meeting to March 13, 2012, 9:00 a.m. in Room 241. Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

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

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Chairman

Approved by Board
Date: 08/01/2012 Initials: EWJ