

A special meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 7, 2013, at 9:00 a.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. (The purpose of this meeting was to allow the Board to hold a previously planned budget work session. The March 6, 2013 meeting was cancelled due to hazardous weather conditions.)

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, Senior Deputy Clerk, Travis O. Morris, 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 2013/2014 Operating and Capital Budgets.

Mr. Foley reported that, because of weather circumstances and the cancellation of the previous day's meeting, staff has rescheduled all of the agenda items for the following Wednesday which means the Board will hold two regular meetings in one day, and would start at 9:00 a.m. He said that, by code, staff had to reschedule the advertised public hearing for 6:00 p.m., and would move all the other business items starting at 9:00 a.m., so staff would have to reformat the advertised agenda to incorporate all of the issues. Mr. Foley stated that the challenge would be rescheduling the work sessions previously planned, as there was one with the School Board to discuss the health and dental plan and, hopefully, the School Board will be able to attend the rescheduled meeting the following week. He said staff had also scheduled a solid waste work session on March 13th, and timing is critical so that item needs to stay on the agenda. Mr. Foley said that the other "if needed" item was a budget work session, should a fourth one be needed. He said if the Board is able to wrap up on Monday, it would make Wednesday an easier day; if that is not possible, the Board may want to consider adjourning to either Tuesday or Thursday. He said staff can be prepared to wrap up on Tuesday if the Board prefers to adjourn to the next day; however, if all issues are wrapped up on Monday, that would be ideal.

Mr. Rooker said he would prefer extending Monday's meeting to wrap up the budget, rather than adding another meeting. Mr. Thomas agreed.

Mr. Boyd said that he had a problem with including a report from Advocates for a Sustainable Albemarle Population (ASAP) on the agenda, as he's never known the Board to take up its time to allow an advocacy group to come in and present to them.

Ms. Mallek said that ASAP's report was one the County had partially funded.

Mr. Boyd stated that the Board had already received that report which was given to the Board a year or two ago. He added that the Board did not put any money towards that particular report.

Mr. Rooker said Board members do occasionally put things on the agenda by permission, such as the "hemp guy" that came in who was an advocate for that particular issue.

Mr. Boyd asked if the Free Enterprise Forum would be allowed on the agenda, because they have done a report on proffers. Ms. Mallek said that they've been trying to find time to do the ASAP report for about six months, and this was the first time it fit on an agenda.

Mr. Boyd said that he did not find the report to be "all that factual," and he had no interest in listening to it. Mr. Thomas agreed, stating the report never has been factual.

Ms. Mallek said it wouldn't kill them to hear any and all of these different things, but these groups have to wait until there's a time the Board can work it into its agenda.

Mr. Snow asked what the procedure is for putting something like this on the agenda. Ms. Mallek said that people make requests to Ms. Jordan, and the Board discusses those. Mr. Snow said they didn't have that discussion.

Ms. Mallek said she and Mr. Snow discussed it last week with Mr. Foley.

Mr. Foley explained that the Board rules say the Chair will work with the Clerk to set the agenda, and staff has set up a process whereby the Monday before the day meeting, the Chair and Vice-Chair meet, however, at that point, the agenda is pretty far down the road, so they wouldn't change anything at that point. He said that staff hadn't gotten to the point of meeting with them on every item on the agenda, which certainly could be done, but would probably require a separate meeting because not everything for the agenda is nailed down a month in advance.

Mr. Snow said the Board does not need to do that; the Board just needs clarification on the policy as to what gets put on the agenda. Mr. Foley responded that the policy is that the Board Chair works with the Clerk, and that does give the Chair some discretion as to the agenda. He said if staff perceives there may be differences on the Board, staff might send something out stating that a request has been made

but that puts staff in the position of having to make a judgment about which item staff should ask about and which not to ask about, and that could be challenging.

Mr. Snow said Mr. Rooker had requested more information on the hemp report --so that item was brought forth.

Ms. Mallek said she was the one who made that request after the Board meeting had ended.

Mr. Rooker said the Board received a drone resolution proposal on the agenda that resulted from a letter being sent by the Rutherford Institute. He added that things like this are not unusual.

Mr. Boyd said the hemp issue was something the Board decided to take up because it was sent to them and, after reading the report from ASAP, he didn't really feel a presentation was necessary.

Mr. Foley said that the answer is "the procedure [on getting items added to the agenda] is not very defined" and is usually left to the discretion of the Chair. He said that procedure could certainly be tightened up, but it's rare there has ever been a controversy about it.

Ms. Mallek stated that it's important to be in a "learning mode," as there's no way to predict what might be said and closing the door on people just because they might say something the Board might not like is a mistake.

Mr. Boyd said that he would like to see some discussion amongst the Board at a future meeting, as these items are not so pressing that they need to be scheduled a week in advance.

Mr. Rooker stated that there is a policy in place, and that is to have the Board Chair set the agenda with the Clerk. He said that other Board members can always ask for things to be added to the agenda, which has been done from time to time. Mr. Rooker said that sometimes he hears presentations he isn't particularly interested in, but they may have appeal to other members.

Mr. Snow said the process has worked well in the pass and suggested the Board should proceed as is.

Mr. Foley commented that, by and large, this process works pretty well, and staff works hard to emphasize to constituents that they can't have a long time to present as there is usually a lot of business.

FY Recommended Capital Improvement Program (CIP)

Mr. Letteri addressed the Board, stating that he would present the FY14 Capital Improvement Program (CIP), and recognized Lindsay Harris as well as other budget staff for their work on the CIP. He reported that this is an amendment year, which means the projects considered are only those that are emergencies or critical to the County, versus a normal cycle when all projects are considered. Mr. Letteri said that today staff would focus only on the projects proposed for FY14 because, as part of the budget process, those are the projects the Board would formally appropriate and there would be three types of projects: new or critical projects introduced this year, multi-year projects, and allocation of funds that are projects which are carried over from year to year, such as stormwater.

Mr. Letteri said that increases in revenues have improved transfers into the capital fund, as did surpluses from prior years and the excess fund balances from Schools but, even with those enhancements, there are real challenges in the County's capital fund. He said that the County is doing well with the capital maintenance-type projects, but falls short with having the capacity to address some eminent critical needs which are in the future.

Mr. Trevor Henry, Director of the Office of Facilities Development, addressed the Board, stating that he and Ms. Allshouse would present the CIP overview.

Mr. Henry explained that the CIP process starts early, in June, with a lot of work done over the summer by the departments to submit their requests, and a joint meeting with the School Board in December to address CIP recommendations. He said that today staff would focus on changes and any questions on the submission, adding that there have been some changes. Mr. Henry explained that this is an amendment year so, in the two-year cycle, the first year is the capital needs assessment year, with all requests coming in; the second year is for any changes to what was approved and/or any emergency requests. He said that this year was a bit of an anomaly because, a year ago, due to the Schools' capacity study, they were not ready to put in their full recommendation so Schools submitted this year instead, with over \$74 million in requests. Mr. Henry said that it would be next year when staff will have the full picture of needs, when it comes back together as part of the capital needs assessment.

Ms. Allshouse reported that the CIP itself is a five-year plan, and the first year is what will be adopted with the rest being planning years. She said that the capital budget is the FY14 year, what the Board adopts as part of its budget, and the Capital Needs Assessment (CAN) is a long-term view to determine what's coming in the future. Ms. Allshouse said that this is the first year they would be working with a multi-year CIP budget, and this makes the capital program even more transparent for the Board as they have some projects they've already approved that are coming online that sometimes cross fiscal years. She stated that Acquisition of Conservation Easements (ACE) funding, for example, has no new money for FY14, however, there is still some in reserve being used.

Ms. Allshouse reported that, on July 11, 2012, the Board's consensus was to support having staff create a multi-year budget for CIP beginning this year, such that project appropriations carry forward until expended or de-obligated by the Board, with the exception of projects where no money has been spent within the past fiscal year. She said that, during the budget process, which is what the Board is doing today; staff will provide a transparent report about the status of projects to the Board. She noted that unexpended CIP funding would then be re-appropriated as part of its initial appropriation in the year, so there wouldn't be a huge re-appropriation in June and another big one in October, which will help with school projects in the summer, etc. Ms. Allshouse mentioned that this is a new process for the County, although many other jurisdictions do this, and staff will make improvements to the process as needed going forward.

Ms. Allshouse said that another key policy and goal would be to dedicate a minimum of 3% of annual General Fund revenues allocated to the County's operating budget and what this means is the funds that would be used as the equity funding portion of the CIP. For example, the Board may want to borrow some funds, but it may also want to put some cash in as well. Ms. Allshouse said that the goal is to dedicate a minimum of 3% of the annual transfer over, and the chart presented shows about 5% the first three years, with FY 09-10 dropping to less than 1%, and FY 10-11 going below that, and 2012 being even lower. She stated that the building back years would mean 1.4% in 13 and 14, in an attempt to increase the funding to the CIP for the cash equity.

Mr. Foley emphasized that they will be spending a lot of time talking about rebuilding the CIP during the Board retreat over the summer for front line projects that will have an impact.

Ms. Allshouse said that the chart also shows debt service from FY14 to FY18.

Mr. Rooker asked if the figures include end-of-year transfers. Ms. Allshouse responded that it did not. Mr. Rooker said that, some years, there's been as much as \$11 million, so it makes a difference.

Mr. Foley said that one clarification on that is that all those years of history did include the transfers from the year-end monies, so there was equity from that balance, but this is just the transfer from current revenues so, even with current revenues and balances forward, it is down to .2 in one year and 1.4% in the year going forward.

Mr. Rooker stated that the prior chart percentages did show the end-of-year transfers so, for FY13, that should make the percentage look better. Mr. Foley explained that it's already factored in, so the current year and FY14 have 1.4 of the 3% going in, and those include the large numbers moving forward from year-end balances from the Schools and Local Government.

Mr. Letteri explained that \$3.1 million is the amount that is left over after the allocation to debt service, plus whatever additional surplus funds there are from fund balance.

Ms. Allshouse said that this particular chart, the way Ms. Harris put the numbers in, is just the annual General Fund transfer.

Mr. Rooker said, it is part of the operating budget, not the year-end transfer.

Mr. Foley said that what's important is that if the goal is equity every year of 3%, and every year there is an end-of-year balance that carries forward, staff should probably provide a picture of that in addition to the ongoing revenues that go over to pay for it, because every year there is some money that rolls over.

Mr. Boyd said that his question is whether the 3% goal the policy is establishing includes the equity portion or not. Ms. Allshouse responded that it's the transfer itself, because staff does not know from year to year what kind of fund balance the County will have.

Mr. Boyd said he wanted to understand the policy, as it sounds like they are establishing a policy to move 3% of the operating funds into the CIP.

Ms. Mallek said that's a historic policy, not a new one.

Mr. Boyd said they had a certain number of pennies that were moved into the CIP.

Mr. Foley said staff would need to take the question and look at it, because they at least need to look at it both ways.

Mr. Rooker said what's important is how much is transferred over, not whether it came at the end of the year or during the year.

Mr. Foley added it's important to know how much cash the County actually has.

Mr. Letteri commented that there's volatility as to what can be included in local revenues or can be transferred from fund balance and surpluses, and what's really important is the ratio between what is transferred and what is going to debt.

Mr. Rooker stated that, this year, the County is transferring more than the 1.4% with year-end balance.

Mr. Foley said that if you took the School number and Local Government number for FY14 that is transferring from year-end balances, that's another \$10 million, so they might want to look at the 1.4 and find out if they got to 3. He said staff will give the Board that lens at the next meeting to clarify that point, and then how that plays into the policy and whether we might need to tweak our language a little bit on the policy even, because it's before the Board next week. He pointed out that it was supposed to have been before the Board yesterday to have some of this discussion.

Ms. Mallek commented that the reason the County hasn't been able to have any debt for the last three years is because it didn't have the cash to pay for it.

Mr. Letteri said that it's the cash that can be used to fund pay-as-you-go projects and introduce new debt.

Ms. Allshouse reported that another debt service policy that they look at is the debt as a percentage of estimated market value of taxable property, which lenders look at, and Albemarle is well within this debt policy. She said that another debt service policy target is the ratio of debt service expenditure to the General Fund and School fund revenues not exceeding 10% and, again, Albemarle is well within that at 6%.

Ms. Mallek said that the Davenport representative told the Board last year that the County had been "very frugal" and, if they needed to spend, this was the place to do it but, of course, they'd have to have the equity portion to pay for it.

Ms. Allshouse stated that the capital reserve goal is set as having a minimum reserve of \$2 million at the end of the five-year CIP plan, so it doesn't have to be there all the way through it but, by the end of the plan, it should be. She presented a chart with the CIP fund balance, noting the balance at the end of FY14 and the impact of the programming for the entire plan so, at the end of FY18, there would be \$4.6 million available. Ms. Allshouse stated that the Board has a little bit of room there and, by putting some additional money in at year-end, they were able to increase it, which gives the Board some funds for "pay as you go" items.

Mr. Rooker emphasized that they only try to incur debt when they show they can service the debt reasonably out of the operating fund, not out of year-end transfers which typically has been used for down payments or equity payments into capital projects, not to service debt.

Ms. Mallek said that's one-time money, because you can't count on it.

Ms. Allshouse presented a pie chart of the total five-year CIP, from FY14-FY18, with loan proceeds being 55.6% of CIP revenues. She said that the General Fund allocation transfer is about 10% of the five-year plan; local revenue such as fees and partnerships comprise about 8%. Ms. Allshouse said that use of reserves would be about 14% over the next five years, noting the prior year school fund balance at 2.28%. She mentioned that the funds that came in FY13 will show up as "fund balance" and total about \$2 million. She said, over the years of the plan, staff has programmed in some fund balance they expect to get from the Schools' year-end money. Ms. Allshouse said that they also have some state funds that will also be coming through for school buses, as that comes in through those revenues at about \$300,000. She said there was a small amount for proffers, and they would discuss that further at the end of the meeting because there has been some change in the law as to how proffers can be used. Ms. Allshouse added that there was also a small amount of tourism funding.

Mr. Boyd asked where the tourism funding was coming from. Ms. Mallek responded that it's coming from the transient occupancy tax.

Mr. Boyd asked if a certain percentage of that went into the CIP instead of the General Fund. Ms. Lindsay Harris explained that there's a certain amount of fund balance from the tourism funds that's leftover, so they're using that toward one-time capital funds.

Mr. Rooker noted that some of the Acquisition of Conservation Easements (ACE) funding used to come from that.

Mr. Foley clarified that there's an obligation that goes to the Visitors Bureau off the top, some supports General Fund expenditures, then some going to capital which had primarily been focused on ACE.

Ms. Allshouse said that, moving forward, ACE is not funded.

Mr. Foley said that going out beyond the five years, there is nothing projected.

Ms. Mallek stated that there's nothing in this year either.

Ms. Allshouse reported that, on the CIP expenditure side, for the five-year CIP, there's about 49% in the CIP funding anticipated to be expended by the School Division; the next largest category is Public Safety at 33%; Public Works is at 7.3%; all other categories, including stormwater, are less than 3%.

Ms. Allshouse presented a chart that Bill Letteri developed that summarizes the CIP, with the General Fund transfer line representing the funding by formula that comes over from the General Fund – the set number with the goal of 3%. She said the next line is how much must be paid in debt service so, in

FY14, there is \$19 million coming in, and \$16.3 million pays the debt service, leaving a balance of \$2.6 million. Ms. Allshouse said that the \$2.6 million goes into the CIP, and current revenues from other revenues come in at \$2.4 million, along with loan proceeds to pay for projects – both Local Government and Schools. Ms. Allshouse stated that available revenues would be a total of \$35.8 million, and the projects before the Board today total about \$20.9 million.

Mr. Rooker asked if there was any revenue included for projected end-of-year operating fund transfers. Ms. Allshouse responded that there is, as with FY13, and surplus money does come into this.

Mr. Rooker said there is the General Fund transfer which is included as part of the budget. Mr. Letteri explained that the transfer is \$19 million and, of that, \$16 million goes to pay that – leaving a net.

Mr. Foley clarified that staff project some year-end money from the previous year carrying forward as part of current revenue line. Mr. Letteri said that is included in the \$19 million.

Mr. Rooker said that none of this includes some projection, and it's very difficult to project whether you're going to run a surplus in future years.

Mr. Foley suggested looking at the current revenue lines, where there is some year-end balance coming forward; pointing out that, in the good years, staff was using about \$4 million every year – but that number is down to about \$500,000.

Mr. Rooker said it would be helpful to see that year by year.

Mr. Boyd suggested adding a line to the chart for surplus revenues.

Mr. Foley said there was something in the Board's budget notebook material that breaks those revenues down and thought it was in the neighborhood of \$500,000 per year because of the uncertainty of the times the County has been through.

Ms. Harris said that information is located on page 14 of the capital project manual.

Mr. Foley said that this was an important point to consider, as it goes back to Mr. Rooker's question as to whether the 1.4% includes equity coming forward from the previous year's balance of operations money.

Mr. Rooker said that, for FY13, it's bringing over substantially more than 1.4% at the end of the year. Mr. Foley agreed that was the case.

Mr. Letteri reported that page 14 summarizes both the use of prior-year General Fund balance that's incorporated in the forecast of the local revenues figure, as well as what's projected from school fund balance. He said, for FY 13-14, those numbers are zero, so there is no expected transfer in the \$2.4 million number. For future years, he said, there is \$1 million for Local Government surplus funds, and the number varies for Schools but, on average, it's about \$300,000 per year.

Mr. Henry reported that the recommendation appropriately maintains existing facilities, which has been a focus for the last few years, while continuing to support technology systems and special equipment replacements. He said that they have prioritized mandated and obligated projects as well as maintenance and replacement projects. Mr. Henry said that the request does include school buses, as the Board voted in December to include them now in the CIP. He stated that new projects reflected in the CIP include \$1 million for transportation revenue sharing and several School Division requests – including the Agnor Hurt addition, contemporary learning spaces at Murray High School, and a telecommunications/network upgrade. Mr. Henry said the goal is to have \$2 million or above at the end of five years, and currently there is \$4.6 million to allow for a little bit of capacity for projects that are currently requested but are unfunded.

Mr. Boyd asked what changed to make that amount go from \$1 million last fall to just under \$2 million now. Ms. Mallek said that was one of the scenarios, but one that wasn't chosen for staff to do more work on.

Mr. Henry explained that there was one scenario with the school buses, which is what's reflected here, one scenario with additional transportation funding, and one scenario with transportation and ACE. This information reflects, at the end of that meeting, what the Board's direction was to staff.

Mr. Foley noted that the revenues adjusted since staff put the annual budget together from when they put together the CIP.

Mr. Henry said that the transfer had been adjusted.

Mr. Rooker commented that he is surprised the fund balance is at \$14 million, as that number was substantially lower before.

Mr. Henry said that's what gives them a little more capacity.

Mr. Dumler asked if the \$2.6 million gap was the amount between the \$2 million policy and the \$4.6 million end of the five-year fund balance. He asked if staff's recommendation was to keep it at that

level. Mr. Henry responded that it's the recommendation to move forward with this plan that allows them to evaluate the host of requests that will come in next year, anticipated to total about \$107-\$110 million. He noted that those requests include such things as Schools and Pantops Fire Station which are currently unfunded.

Mr. Foley noted that, if it were debt service, the Board could pay for \$5 million in projects but, compared to \$107 million, that's not a great amount of money. He said that, on an annual basis with the \$500,000, they could bring down \$5 million in capital money to get some projects done, such as a fire station.

Ms. Allshouse said that she had failed to mention, in the third year of the CIP, there's a slight tax rate increase, based on the five-year plan.

Mr. Foley commented that the slight tax rate increase was approved in the Board's five-year plan.

Mr. Boyd asked if staff had factored in stormwater management districts, as those were also approved in that five-year plan. Ms. Allshouse responded that staff had not factored that in. Mr. Foley said it was because no specific proposal had been decided.

Mr. Foley said that there were three different ways to go with stormwater – going into the CIP and not funding some things, increasing general fund tax revenues, or using a dedicated utility fee. He emphasized that the assumption is the CIP, in its current condition, could not support the stormwater program, so there must be another revenue source. He said that is why the County talked about establishing a utility. Mr. Foley said it would be off the CIP as its own separate enterprise fund to support a future stormwater program, so it's one of those big decisions that must be made going forward.

Mr. Henry reported that he would go through the next portion by functional area, and this highlights changes since December, either new requests or key requests. He said that, in the Administration section, tax and revenue replacement has been added to allow completion of the final phase of Access Albemarle component – and this would cover some of the management fees over the next year to see that through.

Mr. Boyd asked if the voting machine item was just a placeholder. Mr. Letteri replied that it was, because it is not clear yet what that mandate will involve.

Mr. Henry said that it's part of the phase three acquisition. He stated that the Clerk of Circuit Court system upgrade is another additional request since December, to address some of the records management issues and to aid with that process. He said that the rest of the submissions are fairly standard maintenance requests, based on a facilities condition assessment that's done.

Mr. Henry said that Public Safety comprises about 34% of the overall CIP, covers Emergency Communications Center (ECC), Fire and Rescue, and Police, and key items such as apparatus acquisition – with six purchases in FY14 and a few additional ambulances that will be requested next week at the Board meeting to move forward this year instead of next year. Mr. Henry said that the firearms range is in this budget as a placeholder, and staff is working on responding to the direction the Board provided in February to provide alternate locations for an indoor range. He stated that the scope of that would have to be presented and the cost would change, but they've kept it in the CIP since it had worked through the process.

Mr. Foley commented that it's at the level originally anticipated before it was decided to close the range.

Ms. Mallek asked if the Court Square maintenance and replacement was coordinated such that it wasn't in areas where major renovation might occur in the future. Mr. Henry said that was correct, and said staff would also be coming back in the spring with a follow-up on the court study, adding that they have a meeting later in the month with key stakeholders such as judges and the Commonwealth's Attorney to look at the renovation plan in more detail. He noted that there is some concern that if they don't get some direction soon, the County could get in a situation where they would be spending money on maintenance items that later would be taken out.

Mr. Rooker asked about the Emergency Communications Center (ECC) expense of \$16 million in FY18, stating that the County has several years to find a grant that will hopefully pay a substantial part of that as it did the first time. Mr. Letteri clarified that the County would be responsible for about 50% of that total cost.

Mr. Rooker said there's a grant person being hired, so perhaps they can pursue grant money to offset some of that expense.

Mr. Foley said that the original project cost for the County was \$6 million.

Mr. Henry reported that, with the Public Works section, George Shadman manages a facilities conditional assessment which is done every four years and the outcome of that is a program for the maintenance of those buildings.

Ms. Mallek noted that the Old Crozet School is on that list, but the tenant has said they are “perfectly happy” with the way things are and there is no need, from their perspective, for the County to spend a lot of money.

Mr. Foley said that the \$73,000 amount is the absolute minimum to keep the tenants in the facility.

Mr. Henry clarified that this is for emergency lighting, replacement of some of the electrical panels, and some pretty important components that need to be replaced just to keep that facility safe and functional.

Mr. Rooker said it might be wise to create a multi-jurisdictional grant task force with the goal of defraying the cost of the ECC system as much as possible with one or more grants. Mr. Letteri responded that Mr. Ron White has organized a team of people from the grants program area to meet periodically for that very reason, to look for cross-departmental opportunities.

Mr. Rooker said that the ECC cost is such a large number, they should involve other jurisdictions – including the brain power of the University of Virginia and the City of Charlottesville.

Mr. Dumler asked if the \$523,000 associated with the Ivy Landfill was a “moving target” because of the loss of efficiency the County might face if they modify the Rivanna Solid Waste Authority (RSWA) contract or if it is a set capital expense. Mr. Henry responded that his understanding is that it’s the County’s annual contribution for remediation.

Mr. Mark Graham, Director of Community Development, clarified that the remediation is separate through an environmental agreement with Rivanna, the City, and UVA which is an anticipated ongoing cost, budgeted out for the next 10 years. He confirmed that any efficiency losses realized would be in the operations budget, which is totally separate.

Mr. Henry said that the storage facility lease is in year five, and staff has renegotiated another five-year term with annual renewals going forward. He stated that the County has until the end of December of 2013 to renew the following year.

Mr. Letteri emphasized that this is the Local Government share of the lease component, and the Schools are using two-thirds of the facility which is reflected in their capital component.

Mr. Henry reported that, in Community and Neighborhood Development, most of the fees are project management (PM) fees with the exception of transportation and revenue-sharing, which is \$1 million plus PM fees for projects tied to that.

Mr. Foley said that the “blanks” in the report are for some of the big issues the Board will have to consider as far as any investment in urban development type projects adding that, in the good years, they were funding things like Pantops and 29 North at a pretty high level. He said that the “blanks” represent what a “thriving county” means, and where some things that might need to be done in the future that are not funded.

Mr. Rooker stated that one of the ideas the Board should consider is, at a minimum, setting aside a certain amount of year-end transfer money for those kinds of projects.

Mr. Foley said that the Oversight Committee put some good money into transfer projects and revenue sharing for one year but, each year, the question comes up again. He said that \$1 million is in the CIP every year, but it’s going to overall funding for mostly maintenance projects.

Mr. Rooker suggested that they target year-end money for revenue sharing, as was done this year.

Mr. Boyd said that a better approach would be deciding how to spend the excess money in the fall, rather than trying to pre-program it.

Mr. Foley said that if they didn’t program anything when every year they have some, they might miss something, but they’ve programmed \$1 million and maybe the policy could be that anything over that amount could be put toward whatever priority is established.

Mr. Henry clarified that the \$1 million reflects both the County’s share and VDOT’s share.

Ms. Harris stated that most of the County’s share is proffered funds, with the \$500,000 being from the state, for a total of just over \$1 million.

Ms. Mallek said that the plan was for the County to put in \$1 million to get an additional \$1 million.

Mr. Rooker said the decision wouldn’t need to be made until early next year for FY14 to make the application for revenue sharing, so they could certainly look at their balances at that time and what the projecting operating surplus might be.

Mr. Foley clarified that the County put \$1 million in, the state put \$1 million in, in the current year, and for future projections they’ve only put \$500,000 in.

Mr. Henry said that what came out of the Technical Review Committee was zero and, when it went through the Oversight Committee and they wanted to put something in, they felt that proffers could provide the County's contribution.

Ms. Mallek said that the Board discussion was that they would put the \$1 million in.

Mr. Dumler said they had a Board discussion in November about sidewalks, and that was last year's money, to be applied for this February from last fiscal year so that's separate from this.

Mr. Foley stated that, if the Board wanted to get back up to the level the County is funding this year, it would have to add another \$500,000 to bring another \$500,000 down.

Ms. Mallek suggested staff add that to the list of items to be discussed later.

Mr. Rooker asked if there was a chart available that reflected the additional funding they might realize locally from the transportation bill. Mr. Davis responded that he hadn't seen it.

Mr. Foley said staff does not have an estimate on it at this point, and he's not sure they're going to get something definitive, but staff can look into it between now and Monday.

Mr. Rooker said it would be helpful to have some understanding of how much of it is going to primary, how much is going to secondary because he had heard there was a chart going around at the Legislature with that information.

Mr. Foley said staff could find that and bring it forward, but it wouldn't impact this CIP.

Mr. Henry reported that, for the Health and Welfare Department, the new request approved for FY14 is the Department of Social Services (DSS) document management system, which is basically a replacement of the Easy-Filer system they have now which is obsolete. He said that they also had a minor maintenance item that is funded jointed with the City on the Health Department. He said that the Parks & Recreation Department's request is pretty minimal for maintenance and replacement, and includes some of the lighting poles at Burley/Lane which are in need of repair and replacement several years out in the plan. Mr. Henry said there was also a request submitted for improvements at Walnut Creek Park and Byrum Park, but the TRC felt it would be better to come in with that request next year as it wasn't deemed an emergency.

Mr. Henry said that the Crozet Library item is just a little bit of carry-over on project management to take it to final completion, the project is on schedule for July 15, and they should be moving in toward the end of July or beginning of August with the opening determined by library staff.

In technology and GIS, Mr. Henry said, there was a modest request including the annual server infrastructure upgrade. He explained that they are looking for a replacement for the PBX (phone) system and are in the investigative stage of that, but that's two years away.

Mr. Henry said that ACE is not funded, and the Oversight Committee expressed concern about that as did the Planning Commission when staff presented the report to them in January.

Mr. Henry stated that project management services through OFD is basically for construction managers and project managers for the County, and they are now funded through the capital program in an internal service fund. He said that, each year, staff estimates their hours against projects, as well as having a block of hours in each functional area estimated for unassigned items, such as requests to evaluate properties and do a facilities commission assessment that aren't really an identified project need but are in the due course of the work.

Mr. Henry reported that the subtotal for General Government is almost \$9.4 million. He said that the stormwater transfer was new to the CIP from their meeting in December, although the Board had discussed it at a prior work session.

Mr. Henry reported that School Division projects represent a little more than half of the overall CIP, and said he has marked with an asterisk the requests that are recommended for FY14.

Ms. Mallek asked about the addition of 2 classrooms to Crozet Elementary. Mr. Foley explained that the Schools would probably want to talk to the Board about those on Monday, as that is one of the big projects they anticipate being a future need in the CIP that's not currently funded.

Mr. Henry said Crozet School was in the original request, and his chart shows everything that came into the CIP this year; those that did not have funding did not come out of the Technical Review Committee and the recommendation from them was to fund the most critical projects in FY14.

Ms. Mallek said that she isn't concerned about this year, but she thought it was in an out-year.

Mr. Rooker noted that it came out of the Oversight Committee.

Mr. Foley said that the Schools came forward with a number of \$56 million and, since this was an amendment year, the Board decided that it couldn't add all that in, so only the things that needed to be done right away are included. He said that he had spoken with Dr. Moran in the last few days, and she

has said that the Crozet project would be the most critical project for the next CIP and would probably be a "front burner" project that's not funded in the CIP, similar to the court renovations or fire stations would be for the County.

Mr. Rooker asked what the estimate for Crozet Elementary is. Mr. Henry responded that it's \$5.8 million.

Mr. Boyd commented that telecommunications upgrade is a big ticket item every year, and asked how much the County is spending on the network.

Mr. Henry explained that this particular request combines what used to be called the wide area network and the local area network, and is the implementation of a fiber network infrastructure – cables, routers, switches – that allow the Schools to take ownership over their network. He said that there is an ongoing maintenance cost for that, which he thinks is upward of \$800,000 every year, but staff could take a look at it.

Mr. Snow said that he thought this was completely new. Mr. Foley confirmed that this is the project for which the Board had asked for more information from the Schools and, while it's new, they did move some previous monies into it. He said that it did create a new project and, on the April agenda, staff is going to come to the Board and talk to them about their \$900,000 proposal to connect their schools and perhaps put towers up to reach out into the rural areas to get some of that "last mile" coverage.

Mr. Boyd asked for some history on this particular project because it seems to him that the County has been putting a lot of money into technology.

Mr. Dumler asked if the towers were part of the FY18 plan. Mr. Foley responded that this is a part of the Schools' ultimate plan, but they've done something totally different with a lot of things behind it. He said staff is trying to work together with the Schools' IT Department to try to figure out how to do it best for the County as a whole.

Mr. Rooker said that the Board had received a copy of a letter written by a physician at Harvard Medical School about the bad effects on children's developing brains on being in areas with a lot of Wi-Fi network activity, and it cites about 55-60 other studies on that same premise. He stated that he is no expert in that area, but it's something that certainly should be looked into before the County takes the leap to invest millions of dollars in a super Wi-Fi network operating in the area of schools.

Mr. Letteri stated that most of the infrastructure and cost going into this is about hardwiring of all of the schools so they can get high-speed broadband capability to the various schools, and how they then circulate it or distribute that within the schools is still a question.

Mr. Thomas commented that hardwiring works much better, and he has that running through his building.

Mr. Rooker noted that the towers put out an entirely different kind of signal.

Mr. Letteri said that would be a second piece, and the high-speed capability will be at those sites, and whether or not companies like AT&T or Verizon would want to take advantage of that capability and then put a tower up to distribute the signal would be the question that is yet to be resolved.

Mr. Boyd stated that it would be really easy to fall into a trap of having to get the newest and fastest technology, and he just wants to make sure someone is going through the thought process of sticking with a plan.

Mr. Thomas said it sounds like Schools don't really know what they want or need right now.

Mr. Boyd said that he's concerned about the millions of dollars spent over the last few years, and he's also concerned about what Mr. Rooker brought up.

Mr. Foley stated he thought the Schools do have a plan, and it's been well thought out, but whether it's something the Board will support or not is a topic for the April agenda.

Ms. Mallek commented that the PTO at Stony Point has already rejected this idea adding that the concerns of parents are out there.

Mr. Rooker said that the Oversight Committee did recommend the \$900,000 after asking those questions, but it certainly doesn't hurt to get more detail.

Mr. Letteri stated that the investment then offsets what would have been a future cost to engage an outside firm to provide that capability to the School.

Mr. Henry said that the other part of this that needs to be discussed is that, once the infrastructure is in place, there may be the ability to leverage it for local government – fire stations, libraries, etc. – in a way that is a net cost savings to the County.

Mr. Snow emphasized that there is more money being made available for bringing internet into rural areas, so this may not be needed based on what's coming.

Mr. Foley said that staff and the Thomas Jefferson Planning District Commission (TJPDC) have researched that extensively, and Albemarle doesn't qualify for many grants but the Board has defined the "last mile" coverage, so it can reach that last 10%. He said that the Schools' plan was one possibility and they would discuss it again in April.

Mr. Henry summarized that the Schools' total request was \$74 million, and what's been recommended for approval is \$53 million. He said that the projects coming in FY14 were those deemed critical that needed to start in the next year's timeframe, and it includes the buses – which would average about 15 replacements per year.

Mr. Henry said some changes that are still being worked out and worked into the overall financial picture are proffers and apparatus replacement. He said that the state is in process of approving a change in the proffer policy so that no proffer can be used for any capital improvement to an existing facility.

Mr. Davis clarified that the language states a proffer "shall not be used for any existing facility such as a renovation or technology upgrade that does not expand the capacity of such facility," and it would be effective July 1, 2013. He said that the bill also provides that a proffer can't be used for any operating expense of an existing facility, such as maintenance.

Mr. Henry said Ms. Harris has done an initial assessment on what that decision might impact and, once it's approved into law, it potentially will have an impact on the CIP.

Ms. Mallek pointed out that the dollars will still be there, however, they just may not be able to be used in the same place as originally intended.

Mr. Boyd noted that some of these proffers are very targeted, and asked if it would affect those.

Mr. Henry said that they just need to make sure they carefully tie it to projects that add capacity or are expansions. He added that the second bullet is the acceleration of two ambulances from FY 14 to FY 13 and believed that Fire/Rescue will be coming to the Board about this at the next meeting.

Mr. Henry reported that there are some critical needs in the near term such as the courts plan, which they presented back in February and, depending on the options, could be in the \$40 million range.

Mr. Foley said staff was meeting with court officials and would get that real clear so they can come back to the Board with more definitive information, adding that he thinks the number will be substantial.

Mr. Henry stated that some unfunded requests that were submitted last year and this year include the window replacement at the County Office Building (COB), which is an additional unfunded request and would be in the area of \$1 million to \$2 million.

Mr. Rooker said that the Board is interested in finding out what operating savings might result in the window replacement project. Mr. Henry responded that staff's analysis has been that they're not going to get that kind of immediate payback.

Mr. George Shadman, Director of General Services, said that the return on investment for windows is "long term at best," and what makes the COB unique is the building is historic and those windows could never be put back in. He said that the project would have to be reviewed by the City, and there are 320 windows so, if any two are the same size, it's by coincidence and not design. Mr. Shadman said that they have had window assessments done in 2001, 2006 and 2008; they had an energy audit done as well as thermo-imaging, and the facility assessment says the windows should be replaced – they're 33 years old – but as far as a ROI, it would not be a reason in itself to do it. He stated that the thermo-imaging says that the windows are leaking energy all the time – winter and summer – and the worst window in the whole building is in his office. Mr. Shadman said that normal windows usually have a faster return on investment, but these are a unique situation and they would have to be historically designed. He said that, in 2008, it was determined that in order to fix the damaged windows that were identified, the estimate was \$353,000.

Mr. Foley noted that just because there's not a quick return on investment doesn't mean it shouldn't be done.

Mr. Shadman said that there would be some energy savings over time.

Mr. Foley stated that, given the underfunding of the CIP, this has been an item that they've tried to get by without doing, and a phased approach would at least replace some of the worst ones.

Mr. Henry referenced a list of projects from the past two years and the details of the request. He said that the stormwater-related TMDL mandated requirements are to be determined, and the Board is directing some funding to establish that fund –and the study that Mr. Shadman's office will manage will help define those requirements moving forward.

Mr. Foley said that the point of this list is to establish what the Board really needs to put into the CIP to address critical projects, as some of those projects are costing more money not to address. He

explained that the northern library has a lease that runs out and, when that gets renegotiated, the cost of that lease over 20 years is much higher.

Mr. Rooker said that decision is an easy one because the County would be eliminating an operating expense and turning it into potential debt service.

Mr. Foley stated that there's a lease that runs out at Pantops in three years, and Martha Jefferson Hospital has already said they can't accommodate the County beyond that.

Mr. Foley said all of these are examples of projects that are facing the County. He said staff would bring back the implications of each capital project when they meet on the CIP again, rather than overwhelming them with the whole \$150 million.

Mr. Henry reported that some other watch list item needs include the possibility of VDOT devolution for the roads.

Mr. Rooker and Mr. Snow said that was pretty much off the table. Mr. Foley said that item could be taken off the list and we could see how it plays out.

Mr. Henry said that the next item would be the match for revenue sharing as well as ACE which has been an important topic. He provided a review of ongoing, multi-year projects, some of which may carry over into FY14.

Mr. Snow asked if there was matching money from the state for ACE. Mr. Henry replied that there was.

Mr. Snow asked if the County has always found enough money each year to qualify to pull that down. Ms. Mallek said that the County has taken advantage of that every time it's been available.

Mr. Henry noted that, last year, ACE was zero budgeted in the plan, but the Board allocated some one-time money for it around April or May to draw down the match.

Mr. Davis said that there's enough money that's been carried over to match whatever would be anticipated next year.

Mr. Foley mentioned that the state seems to be supporting that ongoing now, and it was one of the issues in the budget this year.

Mr. Davis said the General Assembly added a little bit more than what the Governor recommended, and the County should get some portion of that as they have enough carried over to match it.

Mr. Dumler asked why there was so much money carried over. Ms. Mallek said that, two years ago, the County lost a big property that was going to be using about \$600,000 of it. She stated that this was a huge property on Route 250 East right on the river, but the family decided at the last minute not to pursue it; there were also two properties last year where the owners changed their minds because the assessments had dropped so significantly. She said that ACE has had more of an advertising effort in the last month or so, and have five new applications that have come in within the last week. Ms. Mallek noted that when the public perceived the County had abandoned the program, the applications stopped, and it took a while to get it built back up again.

Mr. Snow said that the problem is that they are giving the impression that they're not funding ACE, but, in actuality, the County is financing it. Mr. Henry noted that it's with carry-over funding.

Mr. Rooker said that it would help at some point to consider a policy whereby some of the year-end surplus is allocated to the ACE program, so people know the County intends to fund the program. Mr. Rooker said that if the Board sets it as a policy, there will be consistency and the public will know there is an intention of funding the program if there are excess funds to be had.

Mr. Foley said that the Board would be prioritizing that over the use of that surplus money for other purposes, but it would send the message that it's an important program. He said that some other possibilities may arise as the Visitors Center money continues to grow, as it automatically goes to them regardless of their operating needs. He said the County needs to reevaluate that percentage, figure out if less money going over there will support their operating needs, but has excess money we don't want it to build up in a fund balance again, and perhaps that money could be dedicated to ACE. He noted that, in the past, the County has funded ACE based on tourism revenues, so perhaps they should do a reevaluation of that agreement this summer in their discussion of capital.

Mr. Davis pointed out that the tourism agreement now says that 30% of the transient occupancy tax goes to the Tourism Bureau – which is equal to 1.5% out of the 5% tax – and that was set by the operating agreement that established the tourism bureau.

Mr. Boyd noted that the County has shifted a lot of expense to them too.

Ms. Mallek said that the CACVB didn't follow through with a lot of those things this year, and they ended up dropping support for many of those initiatives that have transferred.

Mr. Foley said that there's another side to that story, as they use certain criteria for evaluation that ended up kicking some things out. He said the Board will need to look at that and see if you agree with it or not. He stated that Ms. Catlin is prepared to talk to them about it, and it would then be something they would put into the whole discussion about whether or not to change the agreement.

Ms. Mallek said the CACVB is getting \$670,000 in this budget.

Mr. Dumler asked if it was on a Board agenda for a meeting in the near future. Mr. Foley replied that staff was prepared to have some discussion as part of the budget process and they could do it as one of the follow-up items on Monday, adding that it's timely because there were a few agencies that didn't get funded either by the ABRT process, or OMB, or the tourism group because of some criteria that has been established.

Mr. Henry reported that the multi-year projects are those that have carried over into FY13 that may carry over into FY14, and Ms. Harris has prepared a spreadsheet that identifies all the projects and includes an FY13 budget, the expenditures, the encumbrances, and the balance. He said that what's in the binder and the presentation is what's been appropriated for the project.

Ms. Allshouse said that, if the Board is OK with this, then most of the projects would just roll forward in the beginning of the year and they would not do a re-appropriation.

Mr. Henry said that for example, under Administration, the funding for voter poll books carried forward in FY13 for \$62,000 – and the expenditure line on the handout shows that \$62,000 has been spent, so there's no balance.

Mr. Henry stated that Computer Assisted Mass Appraisal (CAMA) is one that is budgeted and there have been some expenditures and some encumbrances, so it is interpreted as an ongoing project with estimates that there will be a significant amount of money spent on it over the two quarters as it gets implemented. Mr. Henry said that there's a projection of carrying forward a balance of \$200,000 to complete the project in FY14. He said that the change in the process is to allow the projects that span fiscal years to continue, whereas in the past they would have to estimate what would be spent from July to October and do a special appropriation, and then come back again in October and do the clean up to get things even. He said that the multi-year approach is a way to keep the Board informed, but to also have better continuity on the execution.

Mr. Boyd said what he's trying to establish is at what point does a project become obsolete and not need to be done again, and how those are identified. Mr. Henry explained that they can look and see if there's nothing budgeted and no encumbrance, then they would question whether it's a project that has no activity, is a reserve or contingency, and whether there is a need to carry it forward. He said that staff would come back to the Board in June or July and would know for sure at that time what has been done on the project, and if nothing has been spent on it, it would have to be a re-appropriation that goes before the Board, like it has in the past.

Mr. Boyd said that it may be a case where priorities change and, if it hasn't been done thus far, there may be other things that are now more pressing.

Mr. Letteri stated that staff could highlight the projects that are underway and likely to be needed in future years and, for those staff felt would not be needed, they would call to the Board's attention as a potential de-obligation and for use on other things.

Mr. Foley said that one of the questions would be, at this point in time, could staff add another column that would say "not expected to be needed" which could then generate a balance that would be reallocated.

Ms. Allshouse said that this is the first year trying this reporting, and the good news is that at least the Board can see what activity is going on in the CIP. She said this new process gives the Board an opportunity to look at projects and note those with no expenditures so they can ask questions.

Mr. Davis said that these funds aren't automatically re-appropriated for next year and, in the Board's reappropriation resolution, there will be a provision that says that the funds for ongoing projects are re-appropriated; it just won't be done as a separate appropriation early in the fiscal year.

Mr. Boyd asked about the \$8,000 cost in City View, and whether it's for future maintenance. Mr. Graham explained that those funds are for customization of the City View program, and they will be going in and changing some of it along with upgrading the software so it gains some functionality it doesn't currently have. He confirmed that there's nothing yet encumbered for that.

Mr. Foley said that some of these projects are in process, so it might not be clear as to whether the whole amount will be needed or not if they are out to bid.

Mr. Letteri emphasized that, as they approach year-end, they will be able to have a much better idea of what those numbers look like, and to what extent they're needed for the following year and staff will make those recommendations.

As an example, under the City View project, Mr. Henry mentioned "Crozet Main Street," which is a reserve funding line which will allow the extension of what is now Library Avenue to connect. He said that

the money is not sufficient to design and construct, but it is there for when the development ultimately allows the connection. He said that's an item that has been carried forward for quite a while.

Mr. Boyd commented that that's the type of decision point that the Board may feel should be secondary to a more pressing project.

Ms. Mallek said that particular project is almost there, and would connect High Street and Oak Street to the new street that will be built.

Mr. Foley noted that there may be differences among Board members as to whether they want to spend that money, and having that discussion as part of this process is the point.

Mr. Boyd said, at some point in time, he would like to narrow the list down so as to identify the projects that might be "on the bubble."

Mr. Henry reiterated that, at the end of the fiscal year, staff would come back with those projects that have not had any expenditures and, by policy, anything that has not had money spent would then be brought back as an appropriation. He said that would be an important time when an evaluation could be done on whether those funds would be reappropriated or perhaps decide to use the funds for another project.

Mr. Foley said there is a \$24 million balance at the bottom line; so the question is if all of that is needed. He said, even if 1% wasn't needed, the Board would have some match money for ACE, for example.

Ms. Allshouse said this is a fairly large and important discussion today, and it might be that staff could "scrub" the list and bring it back for further discussion.

Mr. Boyd said it is a work in progress.

Mr. Rooker commented that this only pertains to the projects for which money has not been spent or encumbered, and those are on the list – some are open-ended projects such as master planning projects.

Mr. Henry reviewed the list of projects and mentioned that the tax revenue system is underway now, so they will see that as an implementation; the voting machine replacement will have one new scanner procured for the Democratic primary as a test and, if it works well, then more will be purchased for the fall so that would likely carry over with balance into FY14. He said that the Sheriff's Office Maintenance/Replacement item is a small amount of work that is programmed for the spring; there is a consultant currently working on an RFP for the ECC-CAD, so there would be encumbrances against that; the telephone system is having some network upgrade and, once that's completed, they would be looking to procure a new telephone system. Mr. Henry stated that it was a big number, but work should begin on it this spring.

Ms. Mallek asked if the CAD money was for the consultant or for the software, noting that the current system they're using is a shambles. Mr. Henry responded that it's for the consultant, as that is not enough money for replacement.

Mr. Foley said CAD is the most core piece of the County's emergency communication.

Mr. Henry reported that that the Keene Landfill item is a reserve fund to be used for any issues that might arise there.

Mr. Boyd asked at what point will the reserve not be necessary for the Keene Landfill remediation. Mr. Shadman explained that this is a fund that keeps rolling over in case something happens out there such as an adjacent property owner perhaps making a claim that their well is contaminated or something similar to that. The reserve fund ensures that the County has the resources hire professional help to address those issues. He said that staff has been keeping track of the monitoring well, and are hopeful to have a good amount of data that would dispute anything like that.

Mr. Davis said that the Keene Landfill has been closed for some time, the closure has been approved by DEQ, and the County has met its statutory timeframe for ongoing DEQ requirements but it is a landfill that is monitored regularly, and staff must make sure the integrity of the cap stays in place. He said that, even though the County isn't required to, they still maintain one testing well to ensure nothing is going astray – and this is a safety net fund to cover those types of expenses.

Mr. Snow commented that it's kind of redundant because the County does have a rainy day fund set aside for emergencies, and it seems to him that the County would be better off pulling money out of that area in the event they needed it for another project. Mr. Davis said that is another way to do it.

Mr. Foley asked staff if there is a contingency in the CIP for something like this that's across projects, because that would be one strategy. He pointed out that this is not new revenue that is being added each year, but is simply carrying a pot of money forward each year.

Mr. Boyd said the reason he is asking these questions is to determine if some of these priorities have changed, such as the Keene Landfill contingency, now that 10% is being kept in reserves for other purposes.

Mr. Snow asked how many pots of money are there in the CIP that would be similar to the Keene Landfill fund. Mr. Foley responded that he thinks the Keene Landfill is the only exception but will verify that with staff.

Mr. Letteri explained that most of these contingencies are project specific so they're built into the budget, and they do not have a generalized contingency for projects.

Mr. Snow asked if there could be a generalized contingency established which could then free up other funds. Mr. Foley said he didn't think that is a bad strategy. He said staff needs to have some idea about why the contingency is the size that it is, but pointed out that the Keene Landfill contingency is a little different because it is a reserve contingency. He added that Mr. Snow's comment about holding some funds aside would be a good suggestion and is similar to what is done in operating.

Mr. Rooker asked if there was a separate budget for project management. Mr. Henry said that project management services are a part of the Office of Facilities Development (OFD) budget adding that there is a hand full of projects listed under School Division that OFD is assigned to manage as well. He explained that OFD supports Schools at almost 2 FTEs, however, some of that work is not necessarily tied to a project. For example, staff will go out in the field to assess a building and that work is not a line item in the CIP; it's a project but it is work that is done under that category. He pointed out that each functional area has a line for project management services that is not necessarily tied to a specific project.

Mr. Rooker said that's not shown as encumbered or spent, which is why he focused on it. Mr. Henry said that the internal service fund was set up this fiscal year, and they track their time and do their process through OFD, and it then gets reported to Accounting, who will do the allocation of all that at the end of the year. He said this reflects that the accounting piece isn't going to happen until the end of the year.

Mr. Foley said that Mr. Snow's concept is a good one, and staff would take a look at that and consider having a general CIP category for contingency and perhaps move the \$100,000 Keene money into that.

Ms. Mallek suggested that it might be an environmental contingency. Mr. Henry stated that, under Community Development and Neighborhood Development, there were some questions about transportation projects and revenue sharing, which is \$2.5 million and, just this week, there was a kick-off meeting to start the revenue-sharing use of funds for Crozet North, South Pantops, Barracks Road and Hydraulic Road. He said that they would start to see those turn into encumbrance and actuals over the next few quarters, adding that there's a little bit of a snag in the application that staff is working thorough with VDOT, but it's anticipated to be resolved.

Mr. Boyd asked what the difference is between that and the sidewalk program, which had a \$1.3 million balance. Mr. Henry said that the revenue-sharing money for transportation is for sidewalks, crosswalks, street connections, etc. He explained that the sidewalk construction program has funds that are being used for other projects, such as a crosswalk at Powell's Creek and a sidewalk connection at Fontaine Avenue.

Mr. Foley said that the question Mr. Boyd is asking is whether the County is investing \$2.5 million and \$1.4 million into sidewalks.

Mr. Rooker said the \$2.5 million includes a variety of things, such as the signal system – and five projects were included in that, some of them being sidewalks. He stated that there's a \$10 million cap for revenue sharing, but the County never comes close to that. Mr. Rooker said that they want to make sure they scour existing projects for things that could be used for revenue sharing.

Mr. Foley stated that, at one point, the plan was to use some of that already budgeted money to match and bring down more revenue-sharing funds, and perhaps David Benish could bring back a report on that. He added that most of that \$2.5 million has been assigned to get sidewalks and crosswalks done, but there is an exception for the signalization issue. He pointed out that there wasn't enough money to do a big project.

Mr. Letteri said that, as they get close to the end of the year, they can quantify what these funds look like and what the anticipated need is going forward and provide that information to the Board.

Mr. Henry reported that, under Parks & Recreation, there is project at Byrum Park where the work is done but there's a little residual on that, and Bob Crickenberger has indicated that they are still trying to connect some trails there but it shouldn't carry over into FY14. Mr. Henry said that the \$2 million allocation is designated for the YMCA.

Mr. Foley said he wasn't certain when the YMCA money would be requested.

Mr. Henry stated that there is also a project nearly complete at Preddy Creek, although there is some continuing trail work, and reported that the work at Rivanna Trail Bridge has been completed.

Mr. Henry said the Crozet Library is the big library project, and there is also a Microsoft upgrade as an Access Albemarle project that has wrapped up.

Mr. Henry stated that the ACE program fund has about \$1/2 million sitting in reserves.

Mr. Boyd asked if the ACE amount is enough for the matching funds from the state. Mr. Rooker said it was more than enough to match it.

Regarding stormwater management, Mr. Henry reported that the COB parking lot bio-filter project is complete and is in a warranty phase; Woodbrook is also in that phase, and the balance of those projects is expected to be returned to the stormwater fund. He said that the stormwater management program also funds other work or needs in the County, and some other projects would be drawing it down such as a dredging project at Hillsdale Drive and a dredging project at Four Seasons Drive which are both facilities that are owned by the County, and then a new stormwater management facility off of Church Road.

Mr. Boyd asked if the Woodbrook lagoon project was nearly finished. Mr. Thomas responded that it is finished. Mr. Foley said that's a project they should be able to liquidate the balance on. Mr. Henry said there's about \$77,000 remaining.

Mr. Henry stated that those projects were all CIP multi-year projects, and he would be coming back in June to present a more current accounting of all the carryover projects and perhaps they could then work on identifying some that would be in the category of consideration for consolidation into a reserve contingency fund or for use elsewhere.

Mr. Rooker asked about the street improvement project under Community and Neighborhood Development, where there is \$726,000 allocated but nothing encumbered. He asked if that was assigned to specific projects or just a fund that's rolled over from year to year. Mr. Henry responded that he didn't have the details on that.

Mr. Graham explained that the \$726,000 was for each of the master plans, as each of them came forward with an implementation plan, and there was funding set aside for that. He said staff would be bringing back more detail on that.

Mr. Rooker said that may be another area where specific projects can be targeted for revenue sharing.

Mr. Foley said that staff would dig into the list overall with the status and projection, and tell the Board what could possibly be liquidated so it could then decide how they might reallocate it. He stated that they may want to combine some of these because it isn't the CIP format that they used five years ago when they were doing every neighborhood.

Mr. Rooker said that, to him, it looks like the same as neighborhood planning implementation, and it's helpful to know if there is money there so when they're meeting with advisory groups they know what funding might be available to assist in development of the master plans.

Mr. Foley commented that there are at least three or four projects that could potentially be combined and re-focused.

Ms. Mallek asked if Mr. Henry wanted to talk about the process improvements also. Mr. Henry said that these are the same recommendations presented to the Board in December, adding that it's the Technical Review Committee's charter to really focus in on the scoring instead of having the deliverable of a balanced five-year plan, but pushing that to a joint team as suggested here. He stated that this would allow the revenue data to be progressing along in the fall, allowing that CIP financial review team some time to pull together different scenarios while working with the TRT but being the one to push the recommendations up to Oversight. Mr. Henry said that they could broaden their policy to allow new projects in the current framework to be entered in either of the two years, not just the first year of the cycle. He added that the last change is the multi-year approach as was just presented.

Mr. Rooker noted that the Oversight Committee reviewed these potential changes and recommended approval.

Mr. Letteri mentioned that the effort to look at the CIP process in detail with an eye toward improvements was part of the second goal of improving and optimizing capacity in the CIP.

Mr. Boyd asked if this meant the Technical Review Committee (TRC) would not be limiting itself to the five-year forecast and would simply rank the projects. Mr. Henry explained that the Technical Review Committee's current charge is to rank projects and then to provide a balanced scenario with a two-year reserve. He explained that the TRC ended up spending more time trying to come up with that scenario and thought time would be better spent diving deeper into the projects and the submissions to appropriately rank them. He emphasized that it may be better to have them look at these from a financial perspective, to determine what scenarios would work.

Mr. Foley clarified that it's like asking Technical Review to do policy work and, if they do the ranking and then the financial analysis gets done, it all gets to the Oversight Committee, which is the policy group that sort of balances some of these things.

Mr. Rooker said that, from the information the Oversight Committee gets at their level, it would be better to have it done this way because it would provide more meaningful information.

Mr. Letteri pointed out that it brings financial expertise to the process and, last year, they were able to refinance some of the projects which created additional capacity in the CIP. He said it is having that kind of judgment and perspective in the process that makes it that much better.

Mr. Foley commented that liquidated projects that might have balances at the end of the year, which the Board may want to allocate for certain things and, under the current process, the money would just roll over to the Oversight Committee's consideration while they're looking at everything. He said the change would mean that the Board would be giving direction on balances, instead of the Oversight Committee using that money as a part of revenues going forward.

Ms. Mallek commented that it's different from the original years when, for example, ACE was funded out of leftovers in July and, for a few years, when it had a line item of its own. She said the money is still being used in the capital sense, however, it's just whether it's still there or not.

Mr. Foley responded that the Board would be setting another parameter for the Oversight Committee which stipulates that the money will not be going into a general pot to be allocated for the following year's needs, but instead would be designated for certain purposes.

Mr. Rooker emphasized that it's important for the Oversight Committee to have this policy guidance, because they're making the decisions in the form of a recommendation, and the Board is going to have a policy on certain things being funded first from excess reserves or new money coming over. He added that could be part of the Oversight Committee's guidance.

Mr. Boyd said he doesn't mind having that discussion, but he isn't sure he agrees that ACE should be at the top of the list instead of emergency services, or maintenance facilities, or school needs, etc. He said he doesn't agree that money should go to ACE while we are not providing the proper apparatus that we need for Fire/Rescue or some other item that is much more important.

Mr. Foley said that would be the policy question before the Board as to whether there's a majority vote to give that direction to the Oversight Committee.

Mr. Rooker said he wasn't suggesting that, but noted that this is "excess" money and, at the end of the year if you are funding items in the regular plan and there is operational funding coming over, would there be a policy to fund things that are not in that plan even though we think those are important, adding that transportation has been one of those.

Ms. Mallek said revenue sharing is one of those items.

Mr. Boyd said there are now more projects than money, based on the long list the Board just received from staff.

Mr. Foley stated that this is the issue before the Board, and staff would bring it back.

Mr. Rooker said he did not want the Oversight Committee to be allocating that money if the Board has a different idea, policy-wise, as to how it should be allocated.

Mr. Boyd said he agreed. He also commented that it's a bit of a challenge because there are only two Board members on that committee and it's not representative of the entire Board.

Ms. Mallek said that's why, when it comes back before the Board, things get changed, adding that the recommendations are only a suggestion.

Mr. Foley added that this could be one of the Board's strategies in getting at some quality of life issues that wouldn't otherwise score high, but they wouldn't decide that until they knew what the operational balance was.

Mr. Henry asked if staff could move forward as presented, or if there were a few action items that still needed to be considered for FY14. Mr. Foley said he thinks they had some question about whether to put another \$500,000 into matching state funds but there is no update yet on revenues, so the Board would have to reallocate from somewhere else.

Mr. Rooker stated that, if there are projected excess revenues, there needs to be something in here for VDOT revenue sharing.

Mr. Snow said they had also considered using the money set aside for sidewalks to be used as matching dollars, and he feels they should maximize all the matching monies they can.

Mr. Foley suggested that staff come up with options for how to get \$500,000 more for revenue sharing to bring down more matching funds, such as the sidewalk program or the balance that's above \$2 million. He said that there's probably a way to get that amount but staff just needs to identify a specific adjustment.

Ms. Mallek said that the suggestion actually was if there were items in the neighborhood project lists that qualified as revenue-sharing projects, then take the money and use it for the match, not wipe out the sidewalk funds in favor of building roadways.

Mr. Foley said they have done some of that already, and they would take another look.

Continuing Issues from Prior Work Sessions

- **Parks, Recreation and Culture**
 - **Parks and Recreation**
 - **Darden Towe Park Fund**
 - **Libraries**
 - **Other Recreation & Cultural Agencies**

Mr. Letteri noted that there were three more functional areas to finish. He reported that, in the **Parks, Recreation and Culture** section, there is a total of \$6.6 million, representing an increase of about \$297,000 – or 4.7% – over last year. He said the categories in this grouping include the regional library system at about 52%, the Parks & Recreation Department itself, cultural agencies, and Darden Towe Park, which is operated jointly with the City.

Mr. Letteri explained that Parks & Recreation Department maintains all of the County's various parks and facilities, with over 3,300 acres of County properties in 12 parks, four boat launches, three community centers and forty-four high-level athletic fields – including another 50 miles of greenways maintained by a department of 17 people. He said that, overall, the increase proposed in this category is \$90,000 with \$18,000 representing increases in part-time wages, which is an effective way they handle some of the park's seasonal demands; the other increase is related to equipment purchases, which happen cyclically when mowers and weeding tools need replacement. Mr. Letteri stated that **Darden Towe Park** is a 113-acre facility and is the County's largest and most heavily used park, utilized by both the City and the County with the City contributing about 30% of the cost to the operation of the park. He said that this budget represents a decrease of about \$19,000 – or 6.3% - largely related to the need to purchase less equipment than in FY13.

Mr. Dumler asked how much of the \$226,000 increase from the transient occupancy tax transfer is an increase from that funding source and how much of it is due to an increase in the size of that funding source. Ms. Allshouse said that the expenditures are based on the expenditures, and are not increased based on the fact that additional funding is coming in.

Mr. Andy Bowman explained that the tourism revenues are collected into a special revenue fund and are then sent to the General Fund, and those are split between the agencies – including CACVB and others as itemized in the budget – with the remainder supporting Parks & Recreation maintenance costs. He said, as the revenues change, we allocate them based on the direction from the Board a few years ago.

Mr. Davis clarified that 3% of the tourism money has to be spent on tourism-related matters, with 1.5% of that 3% going to the Tourism Bureau, and the other 1.5% going into a special fund toward identified costs such as Parks and Recreation. He noted that, in the past, they didn't spend the money on Parks & Recreation but, over the last few years, the budget has been designed to use that money to supplant general fund money that would have otherwise been used for Parks & Recreation. Mr. Davis said this is consistent with what the Board has been doing, but it's not new money, it's the same special fund money they've always had but was formerly used for other purposes, such as ACE, but is now being used for Parks & Recreation.

Ms. Mallek commented that this situation arose because of the economic downturn, and she has been waiting for the \$400,000 to shift back as it's only used for properties in the ACE Program that qualify, due to their location on scenic roads and scenic rivers, for use of the tourism money. She said that, if there's a decrease in cost of \$130,000 based on extra Parks & Recreation revenue, perhaps that could be shifted.

Mr. Foley said there's certainly a decision the Board could make here and, a few years ago, the County was sending tourism money, under obligation, to the Visitors Bureau, some to ACE, and the rest to Parks & Recreation. He said that, in the downturn, they determined they couldn't afford to fund ACE because it was needed for Parks & Recreation expenses, which is what precipitated this situation. Mr. Foley said that there is now an increase in revenues, but they put the budget together based on previous history and direction.

Mr. Dumler commented that his concern is the proportional increases, as they are increasingly silo-ing an operating budget in a revenue source that is inherently cyclical and is, in his opinion, dangerous.

Mr. Rooker pointed out that they had been dedicating a penny on the tax rate to the ACE Program through unanimous vote six or seven years ago but, when the County hit the recession, they retracted that obligation. In the interim years, he said, they have still had an unused balance of \$500,000. He said we put money into ACE that we weren't spending because we didn't have applications to match the money that was available. Mr. Rooker emphasized that he is interested in funding ACE to the extent they have good applications and to the extent they can obtain matching funds but, thus far, he hasn't seen anything

purchased under ACE that they would have bought had they been allocating more money there, and they've built up a surplus.

Ms. Mallek commented that one of the five projects would wipe out that balance, if it's approved, but they would have the CACVB discussion Monday so they could address it further then if they don't get to it later in this meeting.

Mr. Letteri reported that the County is increasing its support for the **James Madison Regional Library** (JMRL) this year at \$377,000 total, \$190,000 of which goes directly into the JMRL budget, representing a 5.9% increase. He said that this includes a \$25,000 increase for data lines, \$14,000 increase for the Northside Library rent, and \$127,000 toward the change in the agreement with the JMRL. Mr. Letteri said other changes include \$34,000 in support of one of the two FTEs the JMRL needed to open the Crozet Library. He stated that the cost reflects outside revenues of \$30,000 anticipated from out-of-area fees associated with the new agreement, but funding does not include about \$66,000 in additional requests that came through the library system primarily for expanded hours. Mr. Letteri said the budget has been increased to accommodate for maintenance costs and associated work on the new Crozet Library and Scottsville Library.

Ms. Mallek commented that she is glad they took the libraries into the County budget, as it makes Albemarle County more comparable to other jurisdictions it likes to compare itself to.

Mr. Letteri emphasized that this is one of those meaningful steps towards their strategic goals, specifically, pertaining to education.

Mr. Snow asked how the out-of-area fee collection was going. Mr. Letteri responded that it may be too early yet to tell. Mr. Davis said it started January 1.

Ms. Mallek said she heard something along the lines of \$1,500, but she wasn't sure if that was accurate.

Mr. Foley stated that Mr. John Halliday of JMRL had indicated they received more than anticipated in the first few months, as anticipated in the front end of a change, but it's too early to tell how this will play out for the long term. He said that was a conservative projection, by the way, when it was originally done.

Ms. Allshouse reported that on page 141, "recreation and cultural agency contributions," this is the category that funds **CACVB** and other agencies that apply to them for support. She said that, overall, the contributions increased 4.3%, and CACVB increased 6.3% or \$39,324 due to the contract and Transient Occupancy Tax (TOT) income. Ms. Allshouse said that the CACVB provides support for certain tourism-related festivals and agencies, and all other recommendations were based on the ABRT (agency budget review team) process and their recommendations.

Ms. Lee Catlin addressed the Board, stating that, last year at this point, the decision was made for a number of agencies to go through the CACVB for their funding. Because of where things were in the process, she said there was no time for any review, just direction from the Board saying "fund these," with the understanding that, this year, they would establish a process aligned with the ABRT process to go through an analysis of the tourism-related agencies. She said that this year, the CACVB established a team of five people, including community members and people in the tourism industry, to go through the evaluation process. Ms. Catlin said that the ABRT received applications and those determined to be "tourism-generating agencies" were diverted to the CACVB for their consideration for funding. She said that this year the CACVB reviewed the Festival of the Photograph, the Virginia Festival of the Book, the Jefferson School African-American Heritage Center, the Downtown Business Association of Charlottesville, the Virginia Film Festival, the Piedmont Council of the Arts, the Charlottesville Vegetarian Festival, and the Paramount Theatre. Ms. Catlin explained that they made recommendations for funding those festivals based on criteria established such as whether they had an advertising plan, did publicity outside of the region, generated overnight room stays, increased visitation to restaurants and other amenities, etc. because the CACVB's mission is to encourage tourism to our community. She stated that they had criteria that was about assessing potential impact on generating tourism for the community, and that's what their recommendations were based on.

Mr. Rooker asked if, in CACVB's opinion, the Festival of the Book, the Film Festival, and the Piedmont Council for the Arts didn't generate those criteria.

Board members indicated that they had not seen that list, and it was leading to confusion.

Ms. Mallek said the Board still has no idea what was decided to do. Ms. Catlin stated that she would make copies of the list and send it to them, adding that there were some organizations on which the ABRT made a decision that the CACVB did not consider because of how the determination was made, including Municipal Band and some of those types of groups.

Ms. Mallek said that the ABRT had vetoed things that weren't even under their purview.

Ms. Allshouse emphasized that the Municipal Band was always with ABRT, as it did last year, and what they tried to send to the CACVB were ones that fit the broader tourism criteria.

Ms. Mallek said that the Municipal Band does draw in crowds from the outside, and they've done the detail work and the surveys and did not understand why that agency was dropped.

Mr. Foley said that, if the Board wanted to look at the Municipal Band item, they could review it and it could be sent to the CACVB.

Ms. Catlin emphasized that the CACVB did set up a review team, using criteria based on the ROI the Board has looked for from them, such as generating overnight stays, restaurant revenues, and drawing people from the outside the area. She said the CACVB went through a pretty lengthy process on all these agencies and measured them against those criteria in making their recommendations. She said that she'd be happy to share those criteria with the Board, and perhaps they could discuss in the future the agencies that aren't quite one thing or the other and how to evaluate quality of life, as well as importance to the community fabric kind of agencies that may not generate tourism in the way that it's being evaluated here but have value to the Board.

Ms. Mallek pointed out that, if there are things to do, people will stay, so they may come here for another reason but end up staying for something else.

Mr. Rooker said it's hard to tell without the list.

Mr. Foley said staff would get that out to them, adding that there are some that are not funded – the Virginia Discovery Museum and the Municipal Band – that the Board might want more information about. He said the Board might have some new criteria as to what should be funded, but staff didn't have any criteria that these agencies met.

Ms. Allshouse noted that the ABRT did look at those two agencies in detail and did site visits, so it wasn't as though they didn't use criteria to look at them.

Mr. Rooker said that they explained why they didn't choose to fund the Municipal Band, adding that there seems to be a broader issue as to whether they want to send the same amount of money to the CACVB. He added that perhaps the wiser course would be to send less to the Visitors Bureau and have the Board make the decisions themselves on funding.

Mr. Foley asked if the City had funded the Municipal Band. Ms. Allshouse explained that the ABRT had recommended that neither the County nor the City fund them, but the City Manager did provide some funding to them with a statement that the City wanted to see some improvement in the criteria in the future.

Mr. Davis said they funded the Discovery Museum as well with that same caveat.

Mr. Rooker said that the City is providing \$36,400 for the Municipal Band, and their total request was \$72,800.

Mr. Foley said that, rather than just funding the Municipal Band, staff thought they would bring the issue up with the Board as there are some criteria that should be considered now that the economy is turning around.

Ms. Mallek and Mr. Thomas said that Literacy Volunteers was another item they questioned not funding, and asked if there was any other support on the Board for them as the state is in the process of overhauling the GED system in a way that will mean the agency will have to implement significant changes in a short amount of time. Ms. Mallek asked if there was any support from the Board to keep some funding for Literacy Volunteers because she said if people can't read, she didn't believe they would be able to participate in our economy.

Mr. Rooker said that, in 2012 and 2013, the County funded LVCA at \$25,000 – and their request for FY14 was \$31,000, but they instead level funded for 2013.

Ms. Mallek apologized because what she was reading showed "\$0." Ms. Allshouse said there is some discrepancy in the pages, and apologized for the disconnect.

Mr. Foley asked which items the Board would like to include on the list for reconsideration.

Mr. Rooker said he would like to include Municipal Band but, in order to finalize it, the Board would need to see the complete list to see what is being funded.

Mr. Boyd asked if the CACVB group had created a book with pros and cons as to why things were funded or not. He thought having that information would help understand what the process was. Ms. Catlin responded that it may not have been that extensive, but she would try to find the rationale behind those decisions.

Mr. Snow commented that one of the biggest reasons people come to the area is because of its historic nature, yet he sees no funding assigned to the Historical Society. He said he would like to see the County add a few dollars to help maintain older, historic homes and to do the research on them, etc.

Mr. Foley said the County has not funded the Historical Society in the past.

Ms. Allshouse said that the Historical Society did not go through the ABRT process, but they had submitted a request directly to the County via email.

Mr. Foley clarified that there was a \$29,000 request.

Mr. Snow said that he serves on the Historic Preservation Committee and has spoken with Stephen Meeks about it, and believes it is an important part of the community.

Mr. Foley stated that item would be added to the list for further consideration, along with the Visitors Bureau information.

Ms. Allshouse clarified that the items to revisit were the Municipal Band, the Historical Society, and the Virginia Discovery Museum, as well as providing to the Board a better understanding of what the CACVB funded.

- **Community Development**
 - **Community Development Department**
 - **Office of Housing**
 - **Community Development Agencies**

Mr. Letteri reported that the next functional area was **Community Development**, and that includes the department itself, community development agencies, and the Office of Housing. He said that the total category is \$6.3 million, representing an increase of \$145,000 – or 2.4% – and Community Development represents the majority at approximately \$4 million, with their proposed budget including a recommended increase of 1.6% due primarily to salary and insurance increases. Mr. Letteri said that the only other increase relates to the Department of Inspections, which is technically a department of public safety but is reported here – and increases about 1.3%. He stated that Mr. Graham has indicated that the department is clearly operating at capacity but, fortunately, they have highly experienced people in their department. He noted that, as turnover begins to happen and as development begins to happen, this department will be challenged in the future.

Ms. Mallek noted that the department has extra staff on the list.

Mr. Foley said that this anticipates revenues to increase beyond projections as activity picks up, and staff would bring that back and talk to the Board about needs if that happens. He stated that there would be some revenues that would probably come with it, and it would need to be addressed if activity picks up. He said building inspection on a per-inspector basis is near what it was during peak activity and because staffing levels are down, it is something staff is watching closely.

Ms. Mallek said it is important to keep building projects moving forward.

Mr. Foley noted that Mr. Graham's request reflects holding off on hiring until the activity begins to change, then staff will come forward if they need to.

Mr. Letteri reported that the **Office of Housing** involves about \$482,000, of which \$260,000 in revenue offsets the cost from the Housing Choice Voucher program, leaving a net cost to the County of \$222,000. He said that the overall increase in this department is \$19,000 or 4.3%. He said staff has had previous discussions with the Board about The Crossings, and this budget includes two months of rent in FY14. Mr. Letteri said they had 10 months budgeted in FY13, and this would be two more months for next year.

Mr. Boyd expressed surprise that the situation hadn't been resolved yet. Mr. Letteri stated that Mr. White had applications in to HUD.

Mr. Ron White, Director of Housing, said he had a conference call with HUD later that day, but said that, after speaking with them the previous Tuesday, he was not hopeful that this issue is moving very quickly at all. He reported that, in September, they submitted a list of waiver requests detailing a request for various regulatory and statutory requirements that HUD felt the City and County did not meet with The Crossings. Mr. White said he didn't hear a response so, in early December, he contacted them and, at the end of that month, he received an email that said "everything's being reviewed; it's at the assistant secretary's level." Mr. White explained that, when he talked to them this week, HUD indicated that the waiver request had not left Richmond and instructed the Housing Office to re-do them and be much more specific, and HUD would not provide a timeframe as to their review. He said that, at least two of the items that need to be addressed, must be done by the City, and he hasn't spoken with them since his last phone call.

Mr. White recommended that he meet with Mr. Davis and his staff and review what HUD is saying, then come back to the Board at a later date when there is more time to consider options.

Mr. Rooker asked it would be helpful to get Congressman Hurt involved in this. Mr. White said he made that suggestion, but HUD's response was, with the five localities in Tidewater that are facing the same issue on a regional project, hiring a fairly high powered attorney firm that works with public housing, might be what Albemarle should do. Mr. White said the best course of action right now would be to meet with the County Attorney and then make a decision on the need to consult with our elected representatives.

Mr. Rooker said that the application was filed in September and has not left Richmond. He stated that just reeks of negligence in that office and he believed that our Congressman should know about these

kinds of problems, at a minimum. He suggested involving Congressman Hurt's office to get some kind of discussion going which could get this issue moving forward.

Mr. Boyd asked Mr. White for the details so he could bring it up with Congressman Hurt. Mr. White said that, when the issue arose last year, someone from Congressman Hurt's office was working with them and he said to stay in touch.

Mr. Rooker said it wouldn't hurt for Mr. Boyd and others to ask for help.

Mr. Foley suggested staff develop a lobbying strategy and perhaps draft a letter to the Congressman, and then schedule it as a follow-up agenda item. He said that, in this particular budget, staff has fulfilled their commitment to 12 months and the question is whether this may end up being a service the Board decides to fund or not.

Ms. Mallek asked if the other waiver items on the list were City issues, and asked if any were County issues. Mr. White responded that they're all shared issues, but two of them will have to be resolved by the City – the environmental review and the subsidy land review because the project is within their boundaries. He said that his office has not been spending all the Board allocated, so it's possible they can roll funds over to cover the next two months. Mr. White explained that, when one tenant vacated her unit, his office made the decision not to fund occupancy beyond that original nine people who were on the waiting list, as there wasn't funding to continue it beyond August.

Ms. Mallek asked if it wouldn't make sense to have somebody occupy the unit until August. Mr. White explained that they can fill it with another client, as Albemarle has discontinued its list.

Ms. Mallek said that doesn't make the problem go away, it's just that the County doesn't have a list.

Mr. Foley said that staff's interpretation was that the Board had wanted to meet the needs of the nine people who originally thought they were going into the program. He said if the Board would like to go in a different direction on using that money, staff would need to know.

Mr. Rooker clarified that the Board had authorized nine vouchers, as there were nine people at that point, and they felt an obligation to fund units for those individuals who had been waiting a long time for housing. He said he didn't think that the County needed to take on the obligation to fund someone who's unidentified at this point when they have other people ready to take the unit. He added that the allocation of the vouchers is still there, so if someone from the County were to need it, it would be there.

Mr. Boyd said that he agreed.

Mr. Snow stated that he agreed with that approach.

Mr. Foley said that staff would be returning with more information.

Mr. Thomas asked if HUD was up to date with Treesdale, as there were some issues with that as well. Mr. White responded that he thinks Treesdale has been resolved outside of HUD.

Mr. Letteri said that the last category under Community Development was **Agency** contributions.

Ms. Allshouse reported that there is an overall contribution increase of \$56,000, or 3.3%, with the Central Virginia Small Business Development Center increasing by \$2,000 or 26%, based on the County's share of service. She said that Charlottesville Area Transit increased by \$45,000 for the same level of service, and she has received the emails about "option A" for \$47,000 so that would be on the list for the Board's conversation. Ms. Allshouse said that the Thomas Jefferson Planning District Commission (TJPDC) would increase \$5,000 or 4.2%, based on the County's share of service, and the Soil and Water Conservation District increases 16% or \$16,000 to include an additional technician to work on the TMDL issue. She reported that the Virginia Cooperative Extension Office decreases, based on a change in how they would cost something directly to the City outside of this funding.

Mr. Thomas said he noticed \$125,000 in a previous section for TMDL, and asked if that was part of this.

Ms. Allshouse said the \$125,000 amount is a capital item, and this is operating.

Ms. Allshouse said that all other agency recommendations were based on the ABRT recommendations.

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

Mr. Letteri said the last functional area was **Judicial**, with the total budget at \$4.2 million for all categories, including the Courts, Clerk of the Court, Commonwealth Attorney's Office, and Sheriff's Department, with the overall increase at \$231,000, or 5.7%.

Mr. Rooker said that the state has allocated money for raises for state employees in this budget, 3%, and asked if this is accounted for in what the County's doing.

Ms. Laura Vinzant stated that, on the expenditure side, the County does not have that information but staff has projected a 2% expenditure increase, and no increase on the revenue side for state revenues. She said she would expect them needing a small addition in salaries on the expenditure side and an increase on revenues which is not being shown here.

Mr. Rooker said the County shows the money the state sends as revenues also. Ms. Vinzant said it does.

Mr. Foley clarified that, regardless with what the state does, those employees get the raise the County provides so, in a given year, if the state funds a 3% raise, the County gets more revenue to offset, except for constitutional officers themselves.

Mr. Dumler asked if this also included the flat stipend of \$3,300 that the Assistant Commonwealth's Attorneys would get in FY14. Mr. Davis said that it went into the General Fund, and they would stay on the same salary scale they are now. He noted that the salaries are still a lot higher than what the Comp Board otherwise would pay them.

Mr. Foley added that the salaries are significantly more, based upon them coming onto the County's pay plan. He said they still didn't have an MOU worked out with the Commonwealth's Attorney but they are still working on it. He said that the concept here is that the County stepped up and did a market study, raised their salaries regardless of what the state did and then gave them the raise regardless of what the state did and it's very rare that the state's raises exceed the County's.

Mr. Davis said that, in the 2012 appropriation act, the state had a 2% increase in that budget, and FY14 adds an additional 1% effective in August 2013 so he's not sure if that really equates to a 3% increase.

Mr. Foley said that, if the Commonwealth's Attorney hadn't approved the MOU and instead wanted to take the state's raise, it would put the County in a difficult spot because they've already supplemented the salaries beyond what's required except for that MOU. He pointed out that, at the end of the day, the pay is much higher in the Commonwealth Attorney's office because of the County's offer to bring that office onto the County's system.

Mr. Rooker said that, if they don't sign the MOU with the County, then they should be on their own to deal with the state and go on their own pay plan.

Mr. Foley commented that that would mean pay reductions for some of those employees.

Ms. Mallek said that the public defender's request should also be put on the list.

Mr. Rooker said this has been discussed in previous years, and they are not on the County's pay plan – and never have been – nor does the County have any agreement with their office.

Mr. Dumler noted that they couldn't legally be on the payroll until last year, when there was enabling legislation passed.

Mr. Davis pointed out that the public defender's office represents the City and the County, so it's not like the Commonwealth's Attorney's office, which is strictly a County function.

Mr. Foley said staff would do some research and share that with the Board, but stated that most localities do not contribute to the public defender but there is a policy decision the Board would need to make with that decision.

Mr. Dumler emphasized that the public defender doesn't have to take every case, nor do they take any capital cases. He noted that there are a lot of differences.

Mr. Letteri reported that, with **the Clerk of Circuit Court**, the increases are \$104,000, largely due to a shifting of expenditures for jurors and witnesses.

Ms. Vinzant said that the Circuit Court had been sending the bill to Ms. Shipp, who was actually paying it, and this amounts to simply an accounting shift.

Mr. Letteri stated that another cost associated with the increase is the Clerk's Office. He said the County has been working closely to get them on the County's pay plan, and has also funded a part-time bookkeeper position for them, which they funded out of their budget this year but would be included as a permanent increase next year.

Mr. Rooker asked if the accounting issues that had been raised by the state regarding that department had been addressed. Mr. Letteri responded that to staff's knowledge they have been but, at

some point, staff would have a formal check-in with them. He added that staff has given them as much advice and help and support as was reasonable.

Mr. Rooker acknowledged that the Clerk's Office does not answer to Tom Foley, and said the most alarming issue to him was the fact that checking accounts had not been balanced for long periods of time and some payments were very far behind.

Mr. Letteri said that the State Supreme Court had become directly involved by sending a representative there to work with the Clerk on outlining procedures and policies as to how to do those things better and, hopefully, they have been implemented and are improving.

Mr. Foley stated that staff felt it was most helpful to have the bookkeeper position, which is what's reflected here, and it's hoped that would make a difference going forward. He clarified that the bookkeeper position is completely funded through existing funds in their budget.

Mr. Letteri said that the overall increase for the **Commonwealth's Attorney's** office was relatively small and related mostly to salary increases, with some minor operational expense increases due to copying and postal costs.

Mr. Letteri stated that the **Sheriff's Department** is a \$2.2 million operation, for which they get \$1.2 million in support from the state, for a net cost of \$961,000 for the County. He said that, overall, the budget increases \$97,000 or 4.6%, and operational cost is a \$21,000 increase due to the fingerprinting operation, moving it from the Police Department to the Sheriff's Department. Mr. Letteri noted that most of that cost was offset.

Ms. Allshouse noted a typo in the Board's book, as the actual cost is \$11,600 not \$16,000.

Mr. Letteri said that the Sheriff uses a lot of vehicles for their operation, and the increase in replacement costs is \$38,000.

Mr. Letteri reported that the **Courts** group includes the Circuit Court, the General District Court, the Magistrate, and the Juvenile and Domestic Relations Court contributions and, overall, the increases have been relatively minor, and has to do with various operational expenses.

Mr. Rooker noted that the net cost is a reduction.

Mr. Letteri said the reduction is due largely to the transfer of witness and juror costs.

Wrap Up

Mr. Foley stated that staff has a list of identified items for their meeting the following Monday, and said the Chair and Vice Chair would present to school officials regarding their budget. He added that staff would work with the School Division on the health care items as well.

Mr. Foley noted that, since changes were made to fire and EMS services, Earlysville has stepped forward and said they would like to run even more EMS calls, which would help service in that area and perhaps generate more volunteers. He stated that they are excited about being a part of this EMS system. He said that, in order to get more EMS volunteers, there would need to be a level of training that isn't currently budgeted, so there's an \$11,000 amount for a class that would make a difference in their ability to run nights and weekends.

Board members agreed to have staff move forward with that proposal.

Agenda Item No. 4. Adjourn.

At 12:28 p.m., there being no further business to come before the Board, Mr. Snow **moved** to adjourn the Board to a special meeting on Monday, March 11, 2012 at 9:00 a.m. Mr. Thomas **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Ms. Mallek, Mr. Rooker, Mr. Snow, Mr. Thomas, Mr. Boyd and Mr. Dumler.

NAYS: None.

Chairman

Approved by Board
Date: 07/03/2013
Initials: EWJ