An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 26, 2014, at 9:00 a.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from February 24, 2014.

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

ABSENT: None.

OFFICERS PRESENT: County Executive, Thomas C. Foley, County Attorney, Larry W. Davis, Clerk, Ella W. Jordan, Senior Deputy Clerk, Travis Morris, Assistant County Executive, William Letteri, Assistant County Executive, Doug Walker, and Director of Budget and Performance Management, Lori S. Allshouse

Agenda Item No. 1. The meeting was called to order at 9:00 a.m., by the Chair, Ms. Dittmar.

Agenda Item No. 2. **Work Session:** FY 2014/2015 Operating and Capital Budgets.

Overview

Ms. Lori Allshouse introduced County staff members present and explained the process for review. She explained that the budget consists of three major components: general fund, capital and schools; and the County uses "fund accounting," a type of accounting that governmental agencies and nonprofits often do that provides accountability. Ms. Allshouse said that the general fund is the major fund that brings in revenue and functions to transfer money to the other funds such as the school fund. She stated that sometimes money is transferred back to the general fund from those other funds.

Ms. Allshouse presented information on general fund revenues, noting that general property taxes comprise 63% of that fund; other local taxes comprise 21%; and other local revenue comprises 3%. She said that projected general property taxes have increased 4.4%, including real and personal property tax; other local taxes including sales tax, BPOL, and food and beverage taxes increased 5.6%; other local revenue including things like fees has increased 16.7%. Ms. Allshouse said that there is not a lot of change in state revenue projections, with a slight increase projected for federal revenue primarily for social services. She stated that transfers coming into the general fund have increased 6.9%. Ms. Allshouse stated that staff also used some fund balance, which is savings that occurred in a prior year that can be programmed for one-time use, and in this budget it is 22% less than what was done in the prior year.

Ms. Allshouse reported that there is a team that works on revenue projections, and staff is providing past history on revenue projections and how closely they have come to actuals. She said that the Government Finance Officers Association guidelines state that you should be within 5%, and Albemarle has been staying within 1% for the last two years.

Mr. Boyd asked if he could see the business personal property tax number as a separate item. Mr. Steve Allshouse, Manager of Economic Analysis and Forecasting, said that he could provide it to him in the future.

Ms. Allshouse reported that general fund revenues are projected to increase by 4.6%, or $10.4 million, with major drivers being a 5.8% increase in real estate – including the tax rate increase in the recommended budget and a personal property tax increase of $653,000. She said that food and beverage sales revenue is up $2.6 million in the budget, with permits and fees up $488,000.

Mr. Boyd asked for information on how much the County would be financing this year, noting that bond proceeds were up quite a bit from previous years and stating that he wanted to make sure they were in line with what was discussed in the Boards strategic plan.

Mr. Bill Letteri said that he would address that in his discussion of the capital fund.

Ms. Allshouse stated that an intern in her office from UVA, Kassel Knight, took the revenues and placed them into a bubble chart that takes into account the relativeness of some of the changes that might be a high percentage, but not a large portion, of revenues.

Ms. Allshouse reported that the recommended budget is balanced on a real estate tax rate of 78.3 cents per $100 of assessed value, a 1.78% increase from the 2014 total taxable assessed values – based on existing construction as well as new construction, new divisions and some other changes. She stated that they are projecting for fiscal year, so they use two years of the calendar year of tax assessments – so for the first part of FY15 they are projecting a 1.78% increase, but the second part is projected at 2.99%, based on increase of property values.

Ms. Palmer asked why they did it that way, instead of being more consistent. Ms. Allshouse explained that it's not up to staff, it's a legal requirement to assess values on a calendar year and to budget on a fiscal year. She noted that if they raise the tax rate for this budget, it will affect the second half of the current budget – so it essentially crosses over two budget years. Ms. Allshouse stated that the recommended tax rate goes from 76.6 cents to 78.3 cents on $100 of assessed value, with the .7 cents dedicated solely to water resource mandates and the 1 cent going to support schools, capital and local government. She noted that one cent on the real estate tax rate equals $1.56 million.

Ms. Allshouse presented information on the methodology used to establish the "tax bill on the average homeowner," and said that a home valued at $275,000 in 2009 dropped in assessed value to $247,981 in 2014. She explained that tax revenue includes two components – the assessed value of the property and the tax rate itself – and to achieve the same revenue in that example, the tax rate would need to be brought up to 82.3 cents on $100 of assessed value, or an increase of 5.7 cents over the current rate of 76.6 cents. Ms. Allshouse noted that an 82.3-cent rate would end up generating $8.5 million more than the current rate and $6.2 million more than the recommended increased rate.

Mr. Boyd asked if staff had also compared average tax bills with peer localities used in benchmarking, in addition to just comparing tax rates. Ms. Allshouse said that they had not done that.

Mr. Boyd said that the value of property in the County impacts what people have to pay.

Ms. Palmer stated that you'd probably have to look at the average home costs in those areas, and with the larger more populous areas she would assume that it would be similar to Albemarle.

Mr. Foley said that they'd have to track the assessments done each year since 2009 and how the rates have changed, and based on an average house could make some calculations.

Ms. Allshouse stated that several jurisdictions use the same general approach for sharing information.

Mr. Letteri said that "cost per citizen" or expenditures per capita might be more readily available from various jurisdictions.

Ms. Dittmar stated that there is a wellbeing curve and some other factors to be considered when comparing 2009 to 2014.

Mr. Allshouse said that there are a number of different ways you can look at economic wellbeing, and there are regional estimates published by the Bureau of Economic Analysis as well as quality of life things like traffic time.

Ms. Mallek stated that revenue would be one indication of consumer confidence and wellbeing.

Ms. Allshouse agreed, stating that there are a lot of different factors involved with this.

She presented information on 2014 real estate assessments of existing parcels by class of property, noting the difference between a residential house on less than an acre and a residential house on one to 20 acres. Ms. Allshouse said that the rural properties show a slight decrease in assessments, but it's an average number and value could go up 5% or down 10%. She stated that the same holds true with commercial properties, and presented information on actual assessments that were done in the County.

Mr. Foley said that in order to compare across years, it's important to pick something to consistently use in measurement, so they've used the single-family home as a benchmark but that doesn't always end up at the same number for people.

Ms. Allshouse noted that there are also differences based on the district in which a property lies.

Ms. Mallek commented that the state committee that establishes the value of agricultural properties based on what they grow has changed policies fairly dramatically this year for hay and pastureland, so there are increases shown in those two categories.

Ms. Allshouse said that those were essentially changes in the land use taxation deferral rates.

Ms. Dittmar asked what the formula is for land-use taxation.

Mr. Bob Willingham, County Assessor, stated that every parcel in the County is mapped by its soil capabilities and ranges from very good soil to poor soil, and the State Land Evaluation Advisory Council (SLEAC), which is centered at Virginia Tech, comes up with rates. He explained that the County essentially maps the soil classification and applies the rate, stating that those are recommended rates but every jurisdiction can adopt those as they choose – either as is or modified, or come up with their own rates. Mr. Willingham said that he looks at how they calculate the rates every year, and SLEAC has come up with rental rates in addition to a standard "production rate," meaning someone owns their land but leases it to someone else to be farmed. He stated that the rates range from $100 to $800 per acre, and he blends the rates to come up with an average overall, with Albemarle at about 56% of the average rate.

Ms. McKeel asked how much land in Albemarle is currently in land use. Mr. Willingham said that a rough estimate would be 200,000 acres, and Ms. Mallek said that represented about half of the County's land.

Ms. McKeel asked if all counties in the state participated in the land use tax. Mr. Willingham said that the majority do, but not all.

Ms. McKeel asked how much money that actually equated to. Mr. Willingham stated that it was roughly $2.9 billion deferred from the tax base, meaning the difference between fair market value and the land use value.

Mr. Letteri clarified that that's the value of those properties, not the tax income.

Ms. Mallek said that deferral means that as long as it's being farmed, it gets the deferral. Mr. Willingham stated that if it isn't farmed anymore, the tax rollback is five years plus a penalty of 10% per year.

Ms. Palmer asked if that $2.9 billion of land is taxed at 56% of the SLEAC rate. Mr. Willingham confirmed that it was taxed at 56% of the maximum proposed SLEAC rate, and that puts it at about 10 to 11 cents off the tax rate.

Mr. Boyd said that in the past, that has equated to about $18 million.

Ms. Dittmar asked if the Board could have a briefing on this at some point. Mr. Foley stated that he would follow up with the Board and provide more details.

Ms. Allshouse reported that she would move quickly through the broad budget categories, beginning with the general fund expenditures.

Ms. Allshouse said that 45% of the general fund transfers to the schools, with revenue sharing to the City at 7% of the general fund. She stated that the revenue-sharing payment to the City would decrease in FY15 by $464,000, and transfer to the schools is up by 4.4%, with transfer to capital up by approximately $1 million. Ms. Allshouse said that this budget includes a $1.5 million increase for public safety, with the regional jail contribution down almost $200,000. She stated that revenue sharing lags by two years, so this budget cycle reflects tax revenues from part of the recessionary period. She stated that the budget assumes some salary lapse or attrition, with about $500,000 factored into this budget.

Mr. Letteri said that staff has evaluated the past several years and has found that actual attrition is approximately 2.5%, so what is budgeted here is about half of that or 1.25%.

Ms. McKeel stated that for the schools, the lapse rolled into their fund balance, and asked where general government rolls.

Ms. Allshouse said that County government doesn't roll it in, but considers it as savings.

Ms. Mallek stated that the County uses it by not increasing the tax rate so as to cover that extra $500,000.

Ms. Allshouse reported that regarding the water resources mandates, the Virginia Stormwater Management Program (VSMP) fees are anticipated to pay for 1.5 FTE inspectors and an assistant in Community Development; the second piece is a 0.7 cent increase in the tax rate for the operations aspect of monitoring Total Maximum Daily Load (TMDL) requirements. She stated that this will support new employees but will also support existing staff who are working on the mandates. Ms. Allshouse explained that they are setting up a water resource fund that will only go to those mandated pieces, along with a portion of Thomas Jefferson Soil & Water Conservation District program funding. She stated that it will all be accounted for separately so they can keep track of the specific mandate requirements.

Ms. Mallek asked if the VSMP was primarily focused on the development area, based on new projects and extra engineering required for that – with a separate section for watershed and pollution improvements in open land.

Mr. Doug Walker said that was a fair generalization related to the permit under which the County operates through DEQ, which is specific to their developed area, but the mandate for the Chesapeake Bay affects the entire watershed in the County.

Ms. Dittmar said that the MS4 permit applies to larger jurisdictions.

Mr. Walker said that it did, adding that Albemarle is one of just a few localities that have that type of permit. He clarified that the VSMP is tied to new development or "land-disturbing activity," throughout the County but primarily within the development area since that's where the majority of development occurs.

Ms. Allshouse noted that the increase in tax rate that's dedicated to the mandate also pays for operating as well as capital, so there are projects such as the Hollymead Dam that are already programmed in their five-year plan.

Mr. Foley said that staff's approach has been to put more into capital while operating costs are less, but that equation will shift as the mandate shifts. He stated that the .7 cents on the tax rate would probably carry them for the next few years while the broader decision on how to manage requirements is made by the community.

Ms. Allshouse stated that the FY15 budget provides some ongoing funding for 11 existing positions in the budget, and they fall within specific categories. She explained that there have been nine firefighter positions funded by the Federal Emergency Management Agency (FEMA) through a two-year grant, but it will run out in May and the County will pick up seven of those positions. She said that they're assuming they will get another grant for two positions going forward. Ms. Allshouse stated that there's a fire rescue training captain that is grant funded, and the County will have to pick up a full year on that.

Ms. Mallek noted that the training people had been paid out of the general fund for a long time before the recent grant, so this is essentially going back to the way it was. Mr. Foley agreed, stating that in FY16 there are seven emergency services personnel who are on a grant and will no longer be there – so in the next fiscal year plan, they will need to decide how to pick up those personnel.

Ms. Mallek said that when they talked about doing the Ivy Fire Station, it was based on the savings from the City contract paying for the staff and filling the rest as a volunteer station, so that means they cannot back off on that volunteer recruitment – and the Board would need to do their part also to encourage volunteers. She said that when they opened the station, they were not anticipating 10 more people on salary, which would be about $700k.

Mr. Walker said that it's the success of the recruitment efforts at Ivy that gives staff confidence they will be successful in getting the grant extension for two of those positions.

Ms. Allshouse noted that there is also a contract employee who is paid with general funds.

She reported that the budget also reflects full-year funding for positions that are partially funded in FY14.

Ms. Palmer asked for clarification that the nine positions before the FEMA grants were paid for by the County or did not exist. Ms. Mallek said that only the training captain position existed.

Mr. Davis noted that the positions were for the new Ivy Fire Station.

Mr. Foley mentioned that they have also expanded EMS service out of the station, which wasn't part of the original recruitment effort, and the hope is to find volunteers as well as assuming some of the grant positions. He said that this is part of the challenge with taking a million-dollar grant over two years, as it enhances services but does require a plan going forward.

Ms. Allshouse reviewed the new positions reflected in the FY15 plan, noting that there are three police officer positions, an emergency management services cost recovery analyst position that will be supported by fees from that service, a community engagement position, 4.5 positions in Community Development including a building inspector and positions related to the water resources mandate, 1.5 positions in Social Services to meet Comprehensive Services Act requirements, and an economic development director and part-time office associate position for that office.

Ms. McKeel said that it would be helpful to know where they were before and what level this takes them back to, because her sense is that this doesn't get them back to those levels.

Mr. Foley and Ms. Allshouse agreed to provide more details on those previous levels.

Ms. Dittmar asked staff if they would also provide detail on whether the new police officers bring them closer to meeting population objectives.

Mr. Boyd said that they were adding two for population.

Mr. Foley said there were two to address population, and one in addition to that.

Ms. Dittmar said that several citizens mentioned a focus on rural issues in the planning department, and asked if they would review how the Community Development positions are assigned.

Ms. Allshouse said that they would go into more detail, as this was just a broad overview.

Mr. Foley stated that staff wanted to pull out the positions that were eliminated by departments – what has been funded and what hasn't – and the rural planner is one of those, with the objective of providing support to committees such as Natural Heritage.

Ms. Mallek said that many of these positions will have evolved from five years earlier, because the activity is so different now. She also noted that there are at least two police officers she is aware of who would be retiring soon, so by adding three they would really only be adding one.

Ms. Allshouse reiterated that most of the position funding was related to water resources mandates, and there are a lot of unfunded requests that staff would share with them at their next meeting – including some highly ranked essential support needs, agency requests and other requests such as additional hours for the Crozet Library.

Mr. Foley noted that on Page 47 of their budget books, there is a breakdown of those unfunded items by tiers, ranging from high-scoring items to lower priority items.

Ms. Allshouse mentioned that there is also a category in the budget called "non-departmental," which includes some broader pools and larger transfers for things such as training, VRS, etc. She stated that the Board has budgeted $250,000 as a reserve for contingencies, which is ongoing funding, and one-time funding for specific items such as grant leveraging, graduate fellowships, the innovation fund, fuel contingencies, etc.

Ms. McKeel asked which category would have covered the consultant hired for Access Albemarle, which cost about $60,000. Mr. Foley said that the position was for a payroll study, and it came out of the reserve for contingencies. He stated that the reserve is smaller than what would typically be recommended for a budget the size of Albemarle's, so staff doesn't recommend using it unless something very critical comes up.

Ms. Mallek stated if that reserve fund was reduced for some reason in 2014, it would be replenished so that it's back up to $250,000 for FY15.

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Capital Improvements Program

Mr. Foley introduced Trevor Henry, Director of the Office of Facilities Development.

Mr. Henry addressed the Board, stating that he would talk about the capital improvement program (CIP) and noting that part of his role is to shepherd the planning process through the cycle. He explained that the CIP is represented by two parts: the capital improvement plan, which is a five-year, balanced program for infrastructure improvements that ties project requests to the comprehensive plan and financial planning. He stated that it can be for bricks and mortar projects, technology, apparatus, school buses, maintenance, etc. – and it helps them anticipate financial needs over time. Mr. Henry said that the second part of the program is the capital needs assessment, which is a further look out 6-10 years and ties comprehensive planning to needs that are in the pipeline. He stated that if an item is requested in years one through five but is not yet in recommendations, staff just pushes it out to year six – so year one of the plan is essentially the capital budget, which is what's being approved and adopted by the Board as part of the overall budgeting process to provide the spending authority for anything listed in that year.

Ms. Palmer said that it's confusing for people to have to discern "capital improvements plan" and "capital improvements program."

Mr. Henry emphasized that staff tries to describe the first five years as the plan, and the second five as the needs assessment – with year one being approved as part of the overall budgeting process for spending authority. He said that perhaps staff could do an FAQ on the capital program to help define the different components of it.

Ms. Palmer stated that it's important if they're talking to the public to be able to discern "plan" and "program."

Ms. McKeel said that it's important for the public to realize that this is a fluid plan that's reviewed every year, and just because it's set in place in the current year doesn't mean it won't change in the future – and as things roll in, they can also roll out.

Mr. Henry stated that it has become more fluid due to constrained revenue, with some items coming off and some coming on, based on priorities. He said that in the summertime, a lot of departments are doing their planning for submissions to the CIP, with the long-range planning committee working on behalf of the schools and public safety agencies having committees to evaluate apparatus. Mr. Henry said that the Office of Management and Budget does a lot of work getting infrastructure ready for the next round of CIP items, so for many it's a continuous process with the meetings at the Board level really just representing the key submission times.

Ms. Dittmar asked how far along departments and agencies are in developing the requests they're making, prior to their requests being submitted. Mr. Henry said that in the summertime, guidance has been given to departments and they are working through the process. He explained that the County uses "SharePoint," which is a repository for programming and information serving as a source of planning information – past, present and future. Mr. Henry said that the department will usually provide some framework and guidance by early summer, and then County staff will flesh out the request. He stated that in many cases, there will have been a program or study done that provides a conceptual or schematic scope; in other cases, there will be a vague idea for a renovation and that department will then contact OFD to ask about cost per square footage, etc. and follow up later with a formal submission. Mr. Henry said that part of the request is the narrative – the department, the type of request it is, the project start date and finish date, description and location, and what it ties to from a strategic and comprehensive planning perspective. He stated that the next step is to rank and rate these projects, and the more a project can tie to overall policies, the better it would fare. Mr. Henry said that other revenues and partners are also taken into account along with project justification, as well as the impact if it is not funded.

Mr. Henry stated that the next piece is the cost side of a project, and it's broken down by soft costs – architectural design and engineering, acquisition, construction, furniture, fixtures and equipment, and a project management fee. He said that if it's a project managed by OFD as part of their internal service fund, they estimate the number of hours it would take to do the work, and that translates into a rate. Mr. Henry said that all of this information is fed into SharePoint and into the process.

Mr. Letteri said that they try to strike a balance with sufficient level of study, either through facilities assessments or specific studies that are done – but it's important to recognize that these are conceptual-level estimates, and they don't hire consultants often to do in-depth studies. He stated that they try to use staff to the fullest extent possible to try to understand the nature and need of projects.

Mr. Foley noted that for something like the $40 million courts facilities project, they would definitely hire a consultant.

Ms. Dittmar asked how a general need from a constituent would wind its way into the CIP process as a submitted request. Mr. Henry responded that it's varied and could come in through different means, and the portal for entry would typically be a department; for example, a group wanting a trail would go through Parks & Recreation.

Mr. Foley pointed out that a request could be initiated by a Board member. He stated that the Yancey Elementary School redevelopment is a good example, with its future direction not yet known but some long-term ideas for the facility. Mr. Foley said that if the Board supports that effort, it will start working its way through the process.

Mr. Boyd emphasized that it can often take years for an item to get through the process.

Ms. Dittmar said it would have to go from concept, to portal, to funding.

Ms. Mallek stated that having a lot of grassroots support is really helpful, and when an outside agency is proposing a project there is an application form that helps streamline information, so when the submittal comes there is a lot to go on.

Mr. Henry said that OFD staff, specifically Lindsay Harris, does a lot of work to fill in requests before they start through the process. He stated that staff usually sets a date of July or August to have formal requests in, and then there is a period of time for some straggler proposals, such as those coming from the school's long-range planning committee, which doesn't meet until August. Mr. Henry said that sometime in September, OMB and OFD will go in and assign specific functional areas to staff so they can go in and review requests, making sure that submissions meet requirements and reviewing any estimates that were done for bricks and mortar projects. He stated that later in the summer, the projects move to the Technical Review Committee and Financial Review Committee, with those two entities working through the requests in parallel.

Mr. Henry said that the TRC is a cross-functional committee which he facilitates, and it also includes the director of building services, the executive director of fiscal services from schools, chief of planning from Community Development, director of general services, either Chief Eggleston or Colonel Sellers representing public safety, a senior project manager, and Lindsay Harris. He stated that the goal of the TRC is to follow the policies created by the Board by reviewing projects through a pre-established a methodology, with the outcome being a ranked list of projects. Mr. Henry said that they validate the classification of requests and invite department directors in as necessary. He provided an example of the review scoring sheet used, stating that it ties directly to the County's guiding principles. Mr. Henry said that he grades every request individually, and that gets merged with the grading from the rest of the committee – then they meet to discuss the projects and establish a ranking of requests. He stated that they then work with the Financial Review Committee to take the list of projects and analyze what the budget model will allow to go forward.

Mr. Henry said that they then check in with the County Executive's office, and ultimately the list is winnowed down from about 150 projects before it goes to the Oversight Committee. He explained that the Oversight Committee has representation from the Board of Supervisors, the School Board, the Planning Commission, and a citizen representative. He stated that the review submittals and recommendations, and the committee double checks to make sure the projects meet strategic plan objectives and are in accordance with Board policies and mandates. Mr. Henry noted that the TRC meets six or seven times in September and October; the Financial Review Committee meets throughout the process; the Oversight Committee meets in November, typically three times. He said that the outcome of the Oversight Committee is the capital improvements plan – along with a financial look that ties to projects recommended for the budget. Mr. Henry said that in November and December there is a lot of movement on revenue assumptions, the audit of fund balances, and any other changes. He stated that it gets presented to the joint boards in December, and to the Planning Commission in January; it then goes back to the County Executive's office as part of the overall budget recommendation, with any final updates, and then is presented to the Board as part of the overall budget recommendation.

Ms. Dittmar asked at what point all ranked projects are reduced to just those that are recommended. Mr. Henry said that it happens between the Technical Review Committee to the Oversight Committee processes. He stated that there have been occasions when the TRC has made recommendations that were not in the plan – such as the Greer Elementary addition – but they advanced to the Oversight Committee because of their pressing importance.

Ms. Mallek said that all of the projects are still there, but they are bumped down on the list in favor of higher priority projects.

Mr. Henry stated that staff has highlighted the projects that have made it into recommendations. He said that 99% of project requests coming through departments are appropriate and get through the review process, but on occasion there will be a non-capital project that gets kicked back. Mr. Henry said that this year, fire and rescue submitted a request for gym equipment, but staff felt that it didn't meet the definition of a "capital" project, so it was pushed back to operating. He stated that if it is deemed appropriate but doesn't get into the plan, it gets pushed out to the capital needs assessment.

Ms. Allshouse said that in the Office of Management and Budget, staff keeps an eye on the Board's policies, goals and practices when considering capital requests. She stated that schools and local government go together in the CIP, which is different from many other localities, and the County also has a category called "debt service" that reflects payment on debt built into their budgeting model – instead of putting it into operations. Ms. Allshouse said that at the end of the five-year period, they want to see a CIP fund balance of at least $2 million. She stated that another County policy has been to fund a significant portion of capital improvements on a cash basis, or pay as you go. Ms. Allshouse said that with some projects, it's better to borrow and finance that debt, but in many cases a cash basis is more desirable. She noted that this budget reflects slightly more borrowing than what's been done in the future. Ms. Allshouse said that staff believes that the net transfer to capital after paying debt service should be at least 3% of general fund revenues. She stated that the County also sets target debt ratios, which are calculated annually and considered in light of fiscal trends.

Ms. Allshouse presented a table created by Mr. Letteri.

Ms. Mallek emphasized that the policies Ms. Allshouse is describing contribute to the County's AAA-bond rating, because they underscore that the County is managing its dollars well.

Ms. Palmer asked what advantage is gained with the AAA-bond rating. Mr. Letteri said that it results in improvement in basis points, and the County's consultants indicate that it is at least 50 basis points. He stated that when you're dealing with $130 million financed over time, that's significant, but it varies depending on the term of the debt itself. Mr. Letteri clarified that that's in terms of today's environment – with very low rates – and if that were to go up, the difference would be much greater.

Mr. Boyd stated that the Board seldom take full advantage of the AAA-rating because they does not issue its own bonds.

Mr. Foley said that the Board does not go to general obligation bonds, which require referendum, but it does go to revenue bonds that are financed through the Economic Development Authority – and the AAA-rating provides the best rates possible in any environment, not just for general obligation bonds.

Mr. Letteri stated that the referendum would by definition have the full backing of taxpayers, which in theory would get a slightly better rate, but in this market the difference is very small. He said that there are a lot of issues involved with referendum, such as the cost of doing one, so you have to weigh those things.

Ms. Mallek stated that it brings the County buyers that a lot of communities don't get.

Mr. Letteri said that their last issuance came on the heels of a big one from the University, but in spite of that they were able to quickly sell bonds.

Mr. Boyd suggested working through the numbers at a future time with the new Board members, so they can benefit from the knowledge and expertise of the bond consultants.

Mr. Letteri said that the conversation becomes more relevant when interest rates begin to rise, as the differences then become more significant.

Mr. Foley stated that the court renovation and expansion coming forward would be a good opportunity to go through the bond discussion and would provide a real project example.

Ms. Allshouse provided a model of debt service and CIP summary, noting two additional pennies on the tax rates used as assumptions in the out years.

Ms. Palmer asked if those assumptions also included estimates on assessment values. Ms. Allshouse said that they work with the tax assessor and use the same assumptions as those going into five-year financial planning for operating and capital every fall, and said that those assumptions are built into the capital program for the out years as well. She noted that they will be moving numbers in the out years, but they must be included in the five-year CIP now.

Mr. Foley stated that they are expecting a 2.99% increase on assessed property values in calendar year 2015, and that is reflected in year two of the chart.

Ms. Allshouse noted that the model is updated many times by staff, incorporating changes that will be reflected throughout.

She reported that they started off with $20 million going into capital and debt, transferred from the general fund, and after paying debt of $18 million there is $2 million left to go into the CIP. Ms. Allshouse said that they have loan proceeds coming into the model, as well as other revenues from things like the 911 center partners as "local" funds, and fund balance from the prior year's audit.

Mr. Foley said that proffer monies also come into this fund.

Ms. Allshouse stated that there are different funds within the capital program to account clearly for local government, and court, stormwater and schools are all done separately.

Ms. Mallek asked if the loan proceeds were for projects already underway where there is an existing mortgage being paid. Mr. Letteri said that those were the proceeds that directly fund the projects in the $39 million for that particular year, and although the loan issuance may be larger, those are the proceeds related to those projects.

Ms. Allshouse said that sometimes there is money in a fund balance already, and so they consider the total revenues coming in, loan proceeds and partner money, and the existing money in-hand to total $48 million; projects in the first year are estimated at $39 million, so there is an estimated $9 million in fund balance, which rolls into the next year.

Mr. Boyd commented that these are unencumbered funds, meaning that they are not already assigned or attached to a project.

Mr. Letteri said that the word "unencumbered" isn't quite right, because there are a lot of projects identified for funding, such as the second half of the library or second half of the firing range – so the monies have been appropriated and need to carry forward to fund those projects.

Mr. Henry clarified that there would be unencumbered funds, and staff is estimating that at the end of 2014 to bring in an unencumbered fund balance of $15 million with anticipated use in the future for those funds.

Mr. Sheffield said that it would be helpful to have 2014 numbers in order to compare.

Mr. Letteri stated that capital programs by their nature are multi-year, so it's really important to look forward over the five-year period to ensure there are adequate revenues and an adequate cash contribution over time. He said that the revenue stream that is part of the formula transfer to capital is healthy, and having 90% of those funds going to pay debt service is somewhat of a tight ratio. Mr. Letteri said that they often make that up by virtue of other revenues, such as interest income, proffers, fund balance contributions, etc. – which are not always predictable. He stated that they've had a 34-35% cash contribution, which is very good by rating agency standards. Mr. Letteri stated that the other important things to keep in mind are the two broader cash policy/debt borrowing questions. He said that the first is that the overall debt limit being within 2% of assessed values, which for a $15 million tax base would be a $300 million budget; the County's is about $135 million for outstanding borrowing, so they are well within that standard. The other ratio to keep in mind, he said, is that debt service shouldn't exceed 10% of general fund revenues – which are projected to be $238 million this year, which would yield a $23 million threshold.

Mr. Henry reiterated that what's before the Board is the recommended capital improvement plan, with year one essentially being the budget for FY15.

Mr. Sheffield asked for clarification that this was a 96% increase from the previous year. Mr. Letteri stated that the actual projects funded last year were $20 million, as opposed to $39 million proposed for FY15.

Mr. Henry said that's a one-year snapshot from that perspective.

Mr. Foley said that the other thing to keep in mind is that the entire budget is based on two cents on the tax rate being raised in 2016, dedicated solely to capital, and another penny out in year four. He stated that only about $160,000 is going into capital this time around, along with some stormwater resources.

Ms. Allshouse stated that the County's goal to dedicate a minimum of 3% of annual general fund revenues to be used as equity funding – the cash portion – of the capital program. She said that this policy goes back to 2009, but during the recession they were barely doing maintenance. Ms. Allshouse said that in FY13, they picked up to 1.4%; in FY14, they hit 1.1%; and in FY15, they are still below 1%. She presented information on the amount of money used to pay debt service, with the net transfer remaining as cash equity. Ms. Allshouse said that another key measure that they follow is debt as a percentage of the market value of taxable property, with the goal of never exceeding 2%. She noted that Albemarle's rate is about 1%, and said that compared to average AAA benchmarks over five years, the County is well within that ratio. Ms. Allshouse also presented information on the ratio of debt service expenditures to general fund and school fund revenues, with the goal of not exceeding 10%.

Ms. Allshouse reported that the CIP total for five years was $179 million, with about 68% of revenues coming in from borrowing. On the expenditure side, she said, public safety represents 26%, schools represent 32%, and courts comprise 17%.

Mr. Sheffield asked how much more workload this is for the OFD department. Mr. Henry said that with the exception of the court renovations, current County staff can cover the projects – but they will need an additional FTE to manage the courts project because of its complexity, and that will be factored in as a project management cost.

Ms. McKeel stated that it's important to acknowledge that as the County is urbanizing, the schools will have a smaller percentage in the CIP than they did 16-20 years ago – now comprising about 33% of the CIP, which was over 50% when she came on the School Board.

Ms. Mallek said that the dollars are dramatically higher.

Ms. McKeel agreed, but said they still needed to recognize the changing proportions.

Mr. Henry said that applies to other areas as well, with the courts and judicial section comprising only about 1% in the previous year.

Mr. Henry reviewed what items were included in the CIP budget, noting that maintenance is now back online after being deferred through the downturn – and that has been reflected in their AAA bond rating. He stated that staff would continue with that prioritization of facilities emphasizing maintenance requests, and would also include some additional mandated projects, many of which have offsetting revenue. Mr. Henry noted that the Henley gym addition is in the capital improvement plan and the FY15 budget recommendation; there is a school security request that has been included in the CIP, covering three years; transportation, revenue-sharing and ACE have also come in as part of the overall plan. He stated that they maintain a $2 million reserve at the end of the five years of the plan, but there are some unfunded requests that need to be discussed. Mr. Henry mentioned that there are 14 different functional areas, and said that staff members representing those departments were present at the meeting. He said that obligation or mandate requests don't get ranked during the Technical Review Committee process, but instead go to the top as priority funding; mandates are usually state, federal or Board of Supervisor mandated items, and obligations would be financial commitments through agreements with other partners. Mr. Henry stated that the second tier of funding includes maintenance replacement requests, which are Board-directed priorities aimed at preserving and maintaining the investment in infrastructure and facilities. He said that the final tier includes new project enhancement requests, which are typically requests that are ten years or older in lifespan and are $20,000 or more – with a defined start and finish. Mr. Henry said this could include acquisition of land, construction of a building, construction of a sidewalk or a parking lot, an enhancement of an existing building.

Mr. Henry presented a list of requests that came into the process in late summer 2013, stating that the total capital improvement plan requests were over $300 million, and what's in the recommended budget is a plan of $179 million. He said that the out years – years 6-10, the capital needs assessment – add another $234 million of requests, for a total for the 10 years of over $1/2 billion in needs and requests.

Mr. Henry reviewed new requests and multi-year projects going forward, stating that in Administration, there is a request for a project to integrate an automated time system into the Access Albemarle system – and although it's in the capital improvement plan, it's not recommended for funding in FY15. He stated that this is a high priority coming out of HR and Finance, but it's been pushed to out years due to funding and may be something the Board wants to consider. Under courts and judicial, he said, the proportion went from 1% to 17% due to the courts facility addition and renovation project. He said that he and Mr. Letteri would present to the Board at their first March meeting to talk about the courts study and the options that have come out of that, and the CIP and FY15 budget includes money to start the design process. Mr. Letteri said that it's an overall seven-year project based on current assumptions at a total of $42 million, and the project impacts the five-year plan as well as an additional $14 million in year six.

Mr. Henry said that public safety projects comprise 26% of the CIP, with completion of the new ECC system expected by the end of FY14 – and when the County is fiscal agent for a project, it reflects the total cost of the project, but participating partners come in as revenue. He stated that the County's share of that project is 48.45%, and its equity or loan proceeds will cover almost 50% of the total; UVA is at 14.77%, with the City at 36.78% – all based on call volume. Mr. Henry said that in prior years the Computer Aided Dispatch (CAD) system for public safety had been included, and in FY15 the CIP budget includes work done by a consultant to better plan and estimate the implementation of the system, which is replacement of a system that is approximately 12 years older and is no longer supported through software maintenance. He stated that there was an RFP issued in the fall, and several firms have submitted proposals to ECC with anticipated implementation to start in FY15.

Ms. Dittmar asked if this was one of the items Mr. Boyd had mentioned at a previous meeting in wanting to see comparisons in how costs had changed. Mr. Henry explained that the appropriated dollar amount was $1.5 million for an equivalent CAD project in the CIP, and this new project would be $6.2 million – but part of that is a scope change in the integration, which now includes 18 systems throughout the public safety system, versus the original plan of replacing one component.

Mr. Foley said that the new integrated ECC system is a far improved system over the original, and it's going to help them do a much better job with public safety.

Ms. Dittmar stated that she liked Mr. Boyd's idea of having the starting point as a reference, to provide a sense of the history of the project at the time it was approved.

Mr. Foley said that they would also continue to provide the Board with quarterly reports.

Mr. Henry said that might not include an ECC project, but staff would work through the details on that. He reported that the second major public safety project is replacement of the 800 MHz system for ECC, which is the replacement for the backbone communication system, which has an end of life date of calendar year 2018. Mr. Henry said that in order to replace it, procurement would need to start in FY16, and the cost would be $18 million – up from $16 million in the CIP and approved plan the previous year, due to a missed microwave tower in terms of the scope.

Mr. Boyd said that it would be helpful for staff to note those explanations in the quarterly report or project charts.

Mr. Henry said that it's buried under justification of why there was a change, it's just a matter of making it more accessible for the Board. He reported that the Pantops Fire & Rescue Station 16 is in the recommended CIP plan, but the funding wouldn't hit until FY17; he stated that the original request had the design starting in FY16 because of the current agreement with Martha Jefferson Hospital on the ambulance, which expires in October 2018 but includes language to allow a one-year extension. Mr.

Henry said that the projects includes the structure to build the ambulance, but the operating side of this needs further scrutiny as there is nothing in the budget for additional career staff.

Mr. Foley said that this is why it's critical that the five-year financial plan ties to the CIP, because opening a new fire station means there need to be staff in it to eventually run a fire engine out of it, and right now the assumption is just that they will move the ambulance from MJH into the new building.

Mr. Boyd stated that in relation to Ms. McKeel's prior comment about the fluidity of the capital program, he and Chief Eggleston had done a presentation early on in the Pantops Advisory Council meeting about six years earlier, and now it is just coming online.

Mr. Henry said that part of the reason it's been pushed out was the ability to house the ambulance at Martha Jefferson as a stopgap.

Mr. Boyd stated that there were a lot of reasons and none of them should be viewed as critical, he just mentioned it as an example of the fluid capital plan.

Mr. Henry reported that fire rescue apparatus replacement represents a fairly significant number, and this program goes through a pretty heavy review with a fleet plan policy that governs what goes in this request. He said that the plan is approved annually by an apparatus evaluation team, which is looking at it from a programming perspective – and what typical replacement is for heavy and light duty vehicles; heavy duty is typically on a 17-year basis, with light duty driven more by mileage.

Mr. Henry stated that the firearms training facility has its own fund and has a $4.8 million request, with grant monies anticipated to offset some of the cost.

Mr. Boyd asked if the cost-sharing agreement between the University and the City for the facility had been settled yet. Mr. Walker said that the formal agreement is in development, and the general terms are agreeable to all three parties, with further discussion with the Board to take place in April.

Ms. Mallek asked if the design had already proceeded. Mr. Henry said that they have not started the design process, but the RFP for the design is proceeding, with 13 proposals submitted – and six or seven of those firms being very qualified. He stated that they've narrowed it down to four firms, with interviews set up for the following week, and the hope is that by the time it gets to the Board there will be an architect on hand. Mr. Henry said that every firm that has submitted proposals has indicated they can meet the time requirements, although it will be on an accelerated schedule.

Mr. Foley asked Mr. Henry to clarify why the total cost of the project doesn't show up in what he's presented. Mr. Henry said that it's because of how it's being combined into one fund, and there's a category later that shows a line item for the firearms training center of $3.4 million – so it's combining the County's equity share with the fund that will be created for the project.

In the category of public works, Mr. Henry said, there is a maintenance-only request with a convenience center/solid waste recycling line item held as a placeholder in FY16 and FY17.

Mr. Henry said that most of the remainder of the CIP in this category is assigned to maintenance projects in General Services such as floors, roofs, sidewalks for existing facilities.

He stated that the Moore's Creek item covers the County's contribution to Rivanna's debt service of that facility.

Ms. Palmer clarified that the reason why the County is paying for that and not the ACSA is because it's used by County residents who are not on public water and sewer.

Mr. Henry reported that for Community Development, there is a lot of money appropriated for multi-year projects that are either in construction or in the planning phase. He said that transportation revenue-sharing is included in the FY15 budget and the CIP, reflecting the direction that came out of the Oversight Committee through the five-year planning process and from the Board at their December meeting. Mr. Henry noted that this reflects the equivalent of 2/3 of a penny for dedicated for transportation revenue-sharing with VDOT. He stated that VDOT will match the funding up to $10 million, and the Board felt it was important to take advantage of the leveraging opportunity. For FY16 and beyond, he said, the model assumes there will be a dedicated penny to meet that. Mr. Henry said that the reason that there is a little bit of difference in amounts is that the County contribution includes project management fees on top of the matching funds in order to manage the work.

Mr. Boyd said that in the past this has focused mostly on sidewalk work, as $2 million doesn't go very far for transportation projects.

Mr. Henry stated that it would likely be for sidewalks and safe crossings, adding that the request itself was much larger and included things like Berkmar Drive Extended, Eastern Avenue and Crozet Avenue. He said that the amount they are using for the match wouldn't fund those things, but would fund pedestrian amenities.

Mr. Foley stated that this is a strategy they can establish as a Board, and if they have a real road project they want to focus attention on they can allow that money to build up over time and have more revenue to pull down money from the state.

He stated that there is currently no commitment in this CIP – due to funding – to take proactive approaches with master plans, etc. in order to improve urban areas with aesthetics and other enhancements.

Mr. Henry suggested that they have a broader discussion on revenue-sharing and how it works, noting that there are some limits with VDOT money in terms of the time the County has in which to draw it down.

Ms. Dittmar said that was a great idea.

Mr. Boyd said that this is a larger discussion he would like to have, as they are underfunding education yet they are funding things like more sidewalks and ACE.

Ms. McKeel said that it goes back to the issue of having a sustainable revenue stream for education, so that they're not constantly in this battle.

Mr. Foley noted that this is a subject the Board would want to have more discussion on before adopting this budget.

Ms. Mallek said that this was a conscious decision by the Oversight Committee to include revenue-sharing matching dollars.

Mr. Henry reported that under Health and Welfare, the CIP includes an existing project to upgrade the DSS document management system that's being procured currently; all PVCC funding requests are not included in recommended funding, and the City hasn't included those enhancements in their recommendation either. He stated that there is also some maintenance and replacement work for the Health Department funded in this CIP, and what's planned in FY15 are some electrical upgrades.

In the Parks and Recreation category, he said, there are a lot of projects requested but very few included in the plan. Mr. Henry said that what has made it into the CIP budget are things like pavement, and repair of existing playgrounds, docks and piers; for joint City-County owned projects, there is a request in the plan to replace the Lane baseball field lighting poles that are significantly deteriorating.

Mr. Boyd asked him to clarify the details of the multi-million dollar recreation facility.

Mr. Henry said that this is the YMCA contribution that has been appropriated but not yet sent.

Mr. Davis stated that it has been appropriated each year and not requested, and his understanding is that the YMCA is intending to start construction in calendar year 2014, and sometime this year they would be making requests for the funding.

Mr. Boyd said that he would like to look at the YMCA's business plan for the use of this money, as the City has done prior to starting the McIntire Park location.

Mr. Foley stated that staff would make sure the Board sees that before that request is responded to.

Ms. Palmer asked what it means when it says "ongoing," but there's nothing appropriated to it.

Mr. Henry said that it means it had been funded previously, with $28,000 in the fund today for adding new trails, but nothing new moving forward in the request.

Mr. Bob Crickenberger, Director of Parks and Recreation, addressed the Board, stating that there has been greenway funding from years ago, and they are just now getting to the end of that balance. He said that the project is now earmarked for additional trails and maintenance, with a lot of it probably going to trail expansion at Pantops. Mr. Crickenberger said that the original greenway program didn't include any funding or improvements for river access, and there haven't been any funds for greenways for the last four or five years, but this submission does have river access and those projects have now been identified.

Ms. Mallek noted that a lot of that greenway funding has come from proffer money.

Mr. Crickenberger agreed, stating that in some cases they have to accept the proffers for greenways.

Mr. Foley said that they've talked about core services being funded in the budget, and these are the quality of life things that go beyond that.

Ms. Mallek commented that Arrowhead is not on this list, and it would need to be added.

Mr. Crickenberger said that the property had not been conveyed prior to submission of the CIP request, and it would be reflected in next year's submission.

Mr. Henry said that it will be reflected, but it will likely follow suit of some of the other park requests.

Regarding Library requests in the CIP, he reported, they are largely maintenance requests for County-owned or City/County-owned facilities, with some additions such as the Crozet Library and the Northside Library and storage area – which is currently in contract negotiations. Mr. Henry said that the additional allocation in FY15 reflects project management hours for staff to manage that project.

For Technology and GIS, he said, the two items worth noting from the approval are maintenance at $400,000-$500,000 to maintain the existing networking infrastructure; and a replacement for the PBX phone system in the County, which is dated and no longer supported – so the IT group is looking at what the replacement will be.

Ms. McKeel said that the schools have their own phone system, and asked if that would be something the County government could tap into as a combined system.

Mr. Mike Culp addressed the Board, stating that they are looking at the CISCO system, which the schools use – but the primary cost actually lies in replacement of the handsets themselves rather than the network. He said that they would have to compare it to a competitive product to see which would be the best replacement.

Ms. Palmer asked about the increased redundant internet services item in the CIP.

Mr. Michael Culp, Director of Information Services, said that part of that has already been done, but they are looking at additional capacity to see what might be available as a second internet stream – which is currently provided through Albemarle County Schools – and they may incur additional costs.

Mr. Henry stated that the Board of Supervisors meeting video streaming request came in and was ranked very low based on criteria, but the Board could move it forward as a mandated request or an enhancement request.

Mr. Foley said that staff has a report coming back to the Board on this, but they may need to have some money set aside of they go to the next step.

Mr. Sheffield asked Mr. Culp if he had an understanding of what the County's bandwidth consumption is, and asked if the County had lost connectivity during the derecho. Mr. Culp said that they did lose connectivity, and one of the reasons is because they didn't have a fully functional generator at that point to service all the equipment, but now they do. He stated that the diesel fuel capacity to keep it running is several days' worth, and they can also bring in additional fuel to keep it going.

Mr. Henry stated that the next category is ACE, and the plan and recommendation reflect the direction coming out of the Oversight Committee of allocating 1/3 of a penny on the tax rate to the program, and there is also a grant included as part of the total budget for that item.

He said that there is a category reflecting one-time transfers and project management services, and said that there were one-time funds transferred to the wetlands program to wrap up a final bill on that project, and a transfer to cover the 2013 bond issuance.

Mr. Henry stated that the CIP now includes a category for the regional firearms training center fund, established to cover the balance of money coming into the project coupled with the County's contribution for a total of $4.8 million.

Mr. Foley said that they probably want to make sure that the project is seen in the CIP and not outside, so it is clear how much is being spent on it, but that's something staff can work through.

Mr. Henry reported that there are several requirements under stormwater management, including a TMDL offset to address the Hollymead Dam spillover improvements – with initial design in FY15, final design in FY16, and construction in FY17. He added that the water resources TMDL line programs money in years three, four and five for capital projects.

Ms. Palmer asked why the Hollymead Dam is being addressed by the County and not the homeowners association there. Mr. Davis explained that this is the road that connects the two parts of Forest Lakes, and there was a decision made 10+ years ago that the County would agree to accept the ownership of the dam in order for a VDOT road to cross the dam, and the County at that point was deeded ownership of the dam and has legal responsibility for it; VDOT only has responsibility for the road surface itself. Mr. Davis said that this was an unidentified problem that has resulted in an expense for the County.

Ms. Mallek mentioned that there is a bill currently at the state level to change the way they're evaluating dams, and she is hopeful that it will have a better outcome than previous efforts. Mr. Davis said that it's largely a change in regulations that identified a higher standard that the dam must be built to in order to provide downstream safety, and those standards are being reviewed.

Ms. McKeel asked if the County had exposure with other dams that could present a problem. Mr. Boyd said that there's one in Key West.

Mr. Davis said there were also some smaller dams that the County has ownership of, but none to this scope and degree, and Rivanna has the largest potential liability on dams that they maintain or own.

Mr. Henry stated that there's a dam break analysis done for the facilities they're responsible for, but this is the only one that got to the threshold of requiring work.

Mr. Henry said that the last category in the CIP is schools, representing 35% of the total, with maintenance and replacement as an ongoing item to cover repairs to all facility items, and the request is to maintain more than 2.3 million square feet of facilities and 631 acres. He stated that the maintenance costs average $5.5-$6 million per year.

Ms. Palmer asked if it was the School Board and administration that decided what got into the CIP each year. Mr. Henry said that there are facility condition assessments done on all the facilities, which feed into a planning process that then leads into scope and dollars into the long-range planning committee, where the projects are evaluated along with all other needs and eventually approved by the School Board to feed into the CIP. He said that once it gets into the overall process, it goes through the Technical Review Committee, the Oversight Committee, the Financial Review Committee – which has representation from the schools. Mr. Henry explained that part of what goes into the TRC's ranking is how departments themselves prioritize projects.

Ms. McKeel commented that as the County is urbanizing the schools are seeing less of a share of the CIP for schools, which leads to questions from families about projects that aren't being funded.

Mr. Henry reported that the Agnor Hurt project was currently in design, and the FY15 request reflects the cost to execute construction, which has increased by about $500,000 from what was in the approved CIP in FY14, due to the design process determination that they needed to separate access from parking. He said that the CIP also includes some new contemporary learning spaces for schools, which has been a high priority from the School Board for modernization of areas within schools to offer group study and an overall improved learning environment. Mr. Henry stated that the Oversight Committee directed staff to look at the addition component only for the Henley gym project, which adds a 7,200 square foot addition multi-purpose room to help alleviate overcrowding of PE classes. He said that there is a three-year plan for school security improvements totaling about $1/2 million per year, focusing on entrance design and overall security measures; design is currently underway to identify priority upgrades and develop a more consistent security methodology for the schools.

Ms. Mallek said that there should be grant money available for school security, as there is funding through Homeland Security for these types of projects.

Mr. Dean Tistadt, Chief Operating Officer for the School Division, stated that he had a conversation with Kirby Felts, the County's Emergency Coordinator, about doing some additional research – but they currently were not aware of any grants for that purpose.

Mr. Henry reported that the final CIP item was the school bus replacement program, which shifted from operating to CIP the previous year after considerable discussion by both boards. He said that there would be approximately 15 replacement purchases per year, with a fleet size of 220 buses and life expectancy for buses at about 10 years. Mr. Henry noted that this program is evaluated annually, and part of the cost is offset by monies from the state at about $300,000.

Ms. McKeel emphasized that they are not replacing buses at 10 years – it's 15 years. Mr. Henry apologized for the error.

He reviewed the CIP totals, stating that there is $39 million in the capital budget for FY15, with the overall capital improvement plan for the five-year period at $179 million. Mr. Henry noted that 40% of the projects did not get into the recommendation, and that included renovations for the County Office Building and the 5th Street Extended building, some new technology projects and IT requests, several police departments, substations, special vehicle storage, bomb tech robots, mobile surveillance units, lots of Parks & Rec projects, library requests for renovations and new projects, some school projects, and other items that didn't rank highly in priority.

Mr. Henry concluded by stating that staff has tried to put a capital improvement plan together that continues to meet County mandates and new obligations, maintains existing infrastructure, and invests in new projects that rank as highly in priority as the revenues allow.

Ms. Palmer asked what a library facility for the southern urban area is referring to. Mr. Foley explained that the Comp Plan calls for an additional library in that development area.

Mr. Davis said that there was a site on Mill Creek Drive envisioned for that purpose that the County already owns.

Ms. Dittmar said that the master plan for that area hasn't been roughed out yet, but that's something that everyone would be working on.

Mr. Foley stated that if there were any items the Board wanted staff to follow up on, they could mention them now so staff can prepare those for future work sessions. He said that in the past the Board has put those items on a list for further discussion, and thus far they have mentioned revenue-sharing items for the state match, and ACE funding.

Ms. Palmer said that she had asked for more information on the economic development position and the return on investment.

Mr. Foley said that that would come during the operating discussion, and today they were just focused on capital.

Ms. Dittmar stated that she had noted a few items that had further questions.

Mr. Boyd and Mr. Sheffield said they would send their questions to staff in an email.

Ms. Dittmar said that he could pass them out among the Board.

Ms. Mallek said that the responses from staff will be shared with everyone.

Mr. Boyd said that when he asks a question, Ms. Allshouse shares it with the whole Board.

Ms. Palmer asked if there would be more discussion time when they have the joint meeting with the schools, rather than a marathon presentation. Mr. Foley said that schools will come with a presentation, but typically the Board has time for questions.

Ms. Dittmar noted that they would also need to have a discussion on advertising the tax rate at the joint meeting, and said she didn't want to cut short a full vetted decision on the tax rate.

Mr. Foley said that staff would put together an agenda that included times and would coordinate with the schools about how long they need for their presentation, and to incorporate questions, to make sure there's enough time for tax rate discussion.

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

There were none.

Agenda Item No. 4. Adjourn to February 28, 2014, 9:00 am., Room 241.

Mr. Boyd **moved** to adjourn the Board meeting to February 28, 2014 at 9:00 a.m. Ms. Mallek **seconded** the motion.

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

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

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Chairman

Approved by Board

Date: 01/07/2015

Initials: EWJ