

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on April 8, 2014, at 6:00 p.m., Lane Auditorium, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from April 2, 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, and Senior Deputy Clerk, Travis O. Morris.

Agenda Item No. 1. The meeting was called to order at 6:04 p.m., by Chair, Mr. Dittmar.

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Agenda Item No. 2. Pledge of Allegiance.  
Agenda Item No. 3. Moment of Silence.

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Agenda Item No. 4. Adoption of Final Agenda.

Ms. Dittmar introduced County staff present.

Ms. McKeel **moved** to adopt the agenda as presented. Mr. Sheffield **seconded** the motion. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Sheffield, Mr. Boyd, Ms. Dittmar and Ms. Mallek.

NAYS: None.

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Agenda Item No. 5. Brief Announcements by Board Members.

None were presented, and the meeting proceeded.

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Agenda Item No. 6. Public Hearing to Receive Comments on Proposed Operating and Capital Budgets for FY2014/2015 and the Proposed Calendar Year 2014 Tax Rates. (*Advertised in the Daily Progress on March 30, 2014.*)

Ms. Dittmar explained that under Virginia Code, there must be one public hearing held on the budget and one on the tax rate – as separate items. She stated that the Board will open the two public hearings separately, but speakers may speak on both of them at one of the hearings or speak at both hearing. She stated that the Board will not be voting on the budget or tax rate until April 15. The Board will be holding an additional budget work session on April 9<sup>th</sup>.

Mr. Foley stated that he will provide a brief overview of the budget, which is the result of several work sessions the Board held over the last month, in addition to a total of 18 town hall meetings in which Board members gave the public the opportunity to come out and talk about the proposed budget. He said that the budget presentation today is the result of those work sessions and reflects all the changes that the Board has made to date, prior to the final part of the process that will go on tomorrow and on April 15.

Referencing a slide presented, Mr. Foley pointed out the revenue trends from FY2009 and the reduction in the County budget, the number of County positions, and the reduction in the tax bill – which decreased from \$2,040 in 2009 to \$1,875 in the current fiscal year. He said that the other thing that is important to note is that the County has not had a decrease in population growth and student enrollment, with 97,696 residents in 2009 and 104,580 residents in 2014; student enrollment climbed from 12,531 to 13,075 for the time period. Mr. Foley stated that while expenditures and tax bills have been reduced, demands have continued and have created more pressure on the County and its services.

He said that during this period, the County has tried to stay focused on an efficient operation of County government. During the downturn they have repositioned and streamlined operations, created alternative sources of revenue, taken a more creative and collaborative approach to services to try to stretch funding, and embraced innovation and high performance. He said that they have also stayed focus on financial accountability and transparency. During this period the County was able to achieve a AAA bond rating – one of only 39 counties in the entire country that has been able to achieve that. Mr. Foley stated that they remain among the lowest tax rates in Virginia, among the top 20 populated counties in Virginia. He said that during this period, they have put themselves under scrutiny, having their budget process reviewed by an outside committee, and had an independent source come in and look at the efficiency of operations to make suggestions on improvements that have now been implemented. Mr. Foley stated that also during this period, the County has been recognized for excellence in financial reporting, and have received budget awards for how they've operated the County government during difficult times.

Mr. Foley that in looking to the coming fiscal year, staff feels that it is important to take a quick look back at where the County has been over the past several years of the recession, and now would review the budget as proposed for the year ahead. He stated that the County is faced with significant challenges and demands in the years ahead, including mandates such as VRS funding for the school system, new federal and state stormwater requirements, as well as operating costs for opening of new facilities such as libraries and a new fire station, and meeting community expectations as the population has grown. Mr. Foley said that during this time, although the economy has been recovering, it has recovered at a moderate pace that has not kept up with the demands the County has faced. He stated that to begin addressing the challenges faced in an environment without much growth in revenue, they established a set of goals and priorities to guide the decision-making process in the development of the budget and its review.

Mr. Foley said that goals were set to meet continually evolving challenges of mandates and obligations; to stabilize the modest service advancements initiated in recent years; to build critical capacity that supports quality service delivery as the demands have increased; and to sustain an efficient and adaptable organization. He stated that in assessing how the goals have been addressed, 57% of the County's total budget of \$353,396,000 goes to the school system, and 38% goes to general government operations outside of the schools. Mr. Foley said that with the 30% of the pie for general government operations, the largest share – 34% – is public safety; 16% is for special revenue funds in place to deliver services; and 15% is for health and welfare. He stated that the budget reflects the impact of a modest economic improvement and the first positive movement in property values for five years; however, neither the recovering economy nor change in property values have kept pace with the mandates and obligations mentioned. In looking at the revenue side of the total budget, he said, state revenue comprises just 22% of the total budget, and federal revenues make up only 5%, with the remainder at 64% from local property taxes and other local revenue from residents. He said that a slice of that is 7% from bond proceeds for some capital projects that are underway or planned in the year ahead.

Mr. Foley said that the total combined operating and capital budget is \$353.4 million, which is an increase of 9.6% from FY14; 4.3% of that increase is combined schools and local government operating increases. There is a fairly large increase in capital program at 96%, due primarily because of the need to catch up from the previous scaled-back capital program. He stated that there has been modest revenue growth from economic recovery, a slight increase in existing real estate values of 1.28%, and a 4.2-cent tax increase. Mr. Foley explained that .7 cents of that goes to meet the mandate for water quality improvements; 2.7 cents is dedicated to supporting the school system for specific mandates and programs; and .8 cents is to address mandates and critical capacity issues for local government and to invest in the capital program. The state and federal revenues in this budget are essentially flat, he said, which puts additional pressure on the local budget.

Mr. Foley said that on the expenditure side, the budget addresses the mandates required both in terms of capital and operating to address stormwater requirements. There is a \$7.6 million increase in local support for the school system from local tax dollars. It begins to address critical capacity needs in the areas of public safety and human services; and it supports some of the high-priority CIP projects, such as replacing the aging 911 system for the region, building a new Northside Library, providing public safety facilities such as the regional firearms range, and improving the capacity of the Henley Middle School gym to address student enrollment growth and other programs. Mr. Foley said that the amount going to stormwater requirements is approximately \$1.1 million, or .7 cents on the tax rate; there is \$4.2 million going to the schools; and \$1.2 million goes to address general government and capital needs. He stated that in looking at tax bills, in the year 2009 the tax bill for the average homeowner was \$2,040 – and that number, even with the tax increase proposed, will stay below that number at about \$2,000 for the average homeowner. Mr. Foley stated that several specific budget items address revolving mandates - the water resource mandates, school funding, and Comprehensive Services Act (CSA) mandates comprise the largest increases, along with increased employee health insurance costs.

Regarding the second goal of “stabilizing advancements,” he said that there are proposed increases for public safety, with five new police officers proposed in the budget. Mr. Foley said that there are also costs for Crozet Library operations and the opening of the Northside Library, including building and grounds maintenance costs. He stated that the budget includes the establishment of an Economic Development Office for the first time, to try to invest in job creation and some return on revenues for new jobs and industry that will come into the County. Mr. Foley said that to get it shores up financial systems with additional costs for maintenance agreements, and there is an increase for Charlottesville Area Transit of \$53,000 to help expand routes. With the third goal of “increasing critical capacity,” Mr. Foley reported that the budget includes three new social services workers to address significant caseloads and demands for service. In the Community Development Department, there is a new building inspector position in the budget because of present and anticipated increases in that workload, and also improves efforts in natural resources protection by including funding for staffing to help move the program forward. He said that the budget also provides some administrative support for the Emergency Medical Services Cost Recovery Program, because it does need administrative support to make it effective and to help generate the necessary revenue. Mr. Foley stated that the budget includes an adjustment from the original proposal to fund the public defender's office at about \$74,000. Mr. Foley said that with goal four of “sustaining an efficient organization,” the budget as proposed includes a 2% pay increase for employees, funds professional development and core training needs, sets aside some one-time money for promoting innovation in a fellowship program to keep staffing costs down, and addresses some essential operating needs.

Mr. Foley said that with school system funding, there is an increase of approximately \$8 million, or 7.6% in local support, as a result of both dedicated revenue through the proposed tax increase, and

the natural growth because of the economy. He stated that the School Board's original request was \$164.3 million, and even with the increased rate for taxes and revenue growth, there is still a \$2.5 million gap. Mr. Foley said that according to the formula currently in place, the school system is getting about 64% of new revenue growth.

Mr. Foley reported that the County's capital program has been strained over the last several years. The budget as proposed stays focused on meeting mandates, maintaining infrastructure, and addressing a few other items that help move the County forward – including funding of the Acquisition of Conservation Easements (ACE) program to protect the rural areas, and sets aside some funding in transportation revenue-sharing funds to match the State in terms of critical transportation and interconnection projects. He stated that the CIP in total transfers about \$20.2 million to pay for those expenses, a \$1.2 million increase over the previous year, but in looking at the capital program overall, it is still significantly underfunded. Mr. Foley said that about 40% of the requests received from departments and agencies remain unfunded as they look out in the future.

He said that in looking at the goals and what they have been able to achieve, with meeting evolving mandates, the water resources mandates are addressed, as well as providing some additional funding to the school system to meet the VRS mandates. He said that they've stabilized advancements by funding a full year of impacts from service improvements provided by libraries and fire stations; and the budget creates the Economic Development Office as mentioned. In terms of building critical capacity, Mr. Foley said that the budget reflects new police officers and social services workers, and necessary support in other areas, and addresses critical capital projects – as well as a 2% pay increase and an investment in training of staff. He stated that there is a new court project planned and a number of unfunded projects in the capital program. A lot of staffing at the school and local government level is challenged in the current environment. Mr. Foley said there are still challenges on the horizon, but this budget tries to make some progress.

Mr. Foley stated that there has already been a lot of process and input into the budget. Board members have held 18 town hall meetings to get input from the public. He said that this meeting is a budget and tax rate public hearing, and the final work session will take place on April 9. The Board will then need to establish the tax rate and adopt the budget on April 15.

Ms. Dittmar said that as a new Supervisor, she needed to learn the distinct roles and responsibilities of the School Board and the Board of Supervisors. She stated that the elected School Board sets the priorities and policies for the School Division, then asks for the resources they need in order to implement them. The Board of Supervisors role in terms of the School Division is to figure out the allocation and then set a tax rate that can afford the allocation. Ms. Dittmar said that there have been many emails from constituents regarding specific school programs, and that is a concern to the entire community – but the best forum for the public to have influence on those issues would be the School Board meetings. She noted that the next School Board meeting is scheduled for April 10 at 6:30 p.m. Ms. Dittmar then asked Ms. McKeel to speak about the School Division's "riffing" process.

Ms. McKeel explained that there is a reduction in force, or "riffing" protocol used by the schools, and for the 16 years she was on the School Board they used this method. She said that this is based on enrollment in individual schools. In an effort to be efficient and to put resources where they are needed most, the School Division bases the number of teachers hired based on enrollment. Ms. McKeel said that the Schools are going through the RIF process currently, and that means that some teachers throughout the division have received a letter that says based on enrollment, they may or may not have a job the next year – or they may not be teaching the same number of hours. She stated that this is a process that happens every year, and in her experience many of the teachers are called back because once the numbers level out and the division gets actual numbers they will contact teachers to let them know.

Ms. Dittmar opened the public hearing on the proposed operating and capital budgets for FY 2014/2015.

Ms. Mallek then read the rules for public speakers.

Ms. Charlotte Hogue, a resident of the Samuel Miller District, said that the Board was not satisfied with a 1.7-cent tax increase, and now wants a 4.2-cent increase. She stated that there are still low interest rates, unemployment and underemployment. The whole room of people calling for the tax increase was predominately parents and teachers crying as usual for the school system. Ms. Hogue said that if they are so willing to pay more, they can send a check to the County and not impose an extra burden on those in low-paying jobs, the elderly, and those on fixed incomes. She stated that for as long as she can remember, the school system constantly wants more money, and if they can't live within their budget they can start cutting non-academic programs such as the arts and sports. Ms. Hogue said that the schools shouldn't promise pay raises they can't afford. Parents need to support more of the cost of extra programs that they demand. She asked if the County really needed an Economic Development Department at this point and how big the department would become – and how many new people will move into the County to fill these jobs, increasing costs for schools and other services. Residents have to live on a budget and within their financial means, and the County should do the same. Ms. Hogue said that they cannot have everything they want – just what they need – and asked the Board to "remember Slutsky."

Mr. Randy Salzman said that he lives in the City but owns property in the County. He said that he has no issue with the tax increase and said they should have done it sooner. He said that the water resources mandate is not new, as Virginia has been talking about it for a decade. He stated that the City

does an incentive program – a pay as you use program – which is better, because there is no incentive in the County to decrease runoff under a model of just taxing everyone. Mr. Salzman said that the Community Development office has been cut back in the last several budgets, yet now they are talking about an Economic Development Officer. He suggested moving funding for this office over to a Community Development planner position. He stated that in December 2012, a study was released that indicated in order to pay for itself in services the average home in Albemarle County would need to sell for \$668,000. Mr. Salzman said that growth is not necessarily good, unless it pays for itself by employing people who are already here, and yet most of their projects have focused on bringing new businesses in – who bring in their own staff. He asked the Board to be careful about its growth.

Mr. Robert Hogue, a resident of the Samuel Miller District, said that he is against the proposed tax rate increase. Mr. Hogue said that 34% of people working have \$1,000 or less in savings, only 16% of people unemployed longer than six months find full-time employment, and research money is drying up. He stated that each person's share of the federal deficit is over \$55,000, which is not a pretty picture. If they don't cut government spending, they will become a third world nation as some economist have predicted. Mr. Hogue said that in terms of the tax relief program for the elderly and disabled, after death, the County should collect lost tax revenue from their estate. He stated that he would like the Board to work with state government so that libraries can be self-supporting, and parks are for recreation – so the operational costs should be funded by the people who use the parks. Mr. Hogue said that schools should not give children everything they want, as they need to learn to deal with disappointment and will be better adults if they do. He stated that parents should fully pay for school sports and the arts, and this would be a good economic lesson for parents and children. Mr. Hogue said that schools are being funded at about 138%, and receive about 60% of the total budget – and for five children in school, the cost is over \$750,000 for K-12. He suggested that there be a tax reduction for anyone over 50 who never had children, as it would be fair. Mr. Hogue said that he read an article on healthcare, which said they could spend it all now or save some for the future, and this should apply to all government spending. He stated that the school system wants a tax rate increase, and they get a pay raise, but the Board was elected to represent everyone.

Ms. Christiana Linebrink, a Scottsville resident, a freshman at Monticello High School, and one of four children – all of whom go to Albemarle County schools, said that all of them enjoy activities offered through the school, such as orchestra, chorus, and sports like track – but if the schools get fewer funds than the Superintendent is requesting, they won't be able to do those things. She stated that class sizes could also increase and they are already too big already, with some of the classes so unruly that teachers are spending as much time disciplining the students as teaching. Ms. Linebrink asked the Board to fund the school budget, regardless of the slight tax increase.

Mr. Matt Wozneak, a student at Western Albemarle, said his coach is one of those who received a letter from the School Board. To him it seems that cutting teachers is a short-term solution to an ongoing problem. Mr. Wozneak said that the RIF process also seems to give priority to teachers who have been there longer, and it should be based more on performance and how well teachers are helping students. He stated that teachers should not have to make these decisions in haste, or because of a shortfall in one year. It is important for kids in his school to have the option that the sports program offers.

The next name, Kelly Gobble, was not present.

Ms. Carole Thorpe said she is the Chair of the Jefferson Area Tea Party, whose members feel they are taxed enough already – as are many other members of the Albemarle County community. She said that they have yet to see a study where more money to a school system improves education. Taxpayers have also been suffering by the same slow recovery referenced by Mr. Foley – with many people losing values on their homes. Ms. Thorpe said that she is disappointed in the School Board, because in the past they have provided a more detailed list of the types of cuts they would do, but that was not provided this year. She stated that with the need for police officers and in general, the budget itself is not that bad – but she does have a problem with the school budget. Ms. Thorpe said that what they have is an organization that has multi-million dollar budgets year after year, yet has not had an independent audit in decades – and any business run like that is poorly run. She stated that the JATP supports teachers and education, but that doesn't necessarily mean more money every time. Ms. Thorpe asked the Board to consider the taxpayers of Albemarle County, as people are working hard to put food on the table, to pay for their homes – and they need some relief. She said that there is a proposal to fund the school budget gap out of the general fund, and she would advise against that.

Ms. Lisa Coldren, a resident of the Rivanna District, asked the Board to fully fund the budget. Ms. Coldren said that she is the PTO President at Stony Point and the parent of two children there. She asked that the Board devise a plan so that they don't keep running into these school funding problems every year. They cannot continue putting a band aid on the situation to get by every year. They need to think outside the box. She stated that a parent at Mr. Boyd's town hall meeting at Stony Point suggested an education tax, and this type of idea would receive support from many residents. Ms. Coldren said that the per-pupil spending in this budget is less than it was five years ago, and that should be taken into consideration.

Mr. Tom Olivier said that he was speaking on behalf of Advocates for a Sustainable Albemarle Population (ASAP), which recognizes that unfunded mandates are the cause of some of the growth in the proposed budget. ASAP also recognize that population growth and the growth in residents' demand for services have led to increases in both the proposed school and public safety budgets. Mr. Olivier said that ASAP remains concerned about the limited support for the Community Development Department, especially permanent rural areas planning staff. He stated that not long ago, there were three rural areas

planners present on that staff, and now there is only one, and permanent staff in Community Development must be rebuilt. Mr. Olivier said that the proposed budget does contain an increase in the budget for the Acquisition of Conservation Easements (ACE) program, and ASAP commends that support by Mr. Foley and the Board. He stated that they also appreciate the funding for a natural resources intern. Mr. Olivier said that ASAP does not support the request for 1.5 new economic development positions in a new independent economic development program. The economic need for this program has not been shown. He stated that ASAP's exhaustive cost of growth analysis, reported to the Board last year, reveals that the object of such an office – the recruitment of new companies to the area – comes with costs equal to or greater than its benefits to the County's budget and for local employment opportunities. Additionally, Mr. Olivier stated, they get these disappointing results with added measures of sprawl and environmental degradation. He said that ASAP proposes instead that funding for the new economic development program be allocated instead to restoration of rural areas planning positions.

Mr. Chris Kopp, a resident of the White Hall District, thanked all of the area teachers for doing great work. Mr. Kopp said that it is important to pay teachers properly, and it is important to spend money properly. He stated that he moved here from South Florida five years ago, and Palm Beach County operates with a Board of Supervisors and elected School Board – but they operate differently in that they spend their money much more carefully. Mr. Kopp said that they have a school district with 174,000 students versus 12,000 students in Albemarle. He stated that Albemarle pays its Superintendent \$200,000 – or about \$15 per student; Palm Beach County pays its superintendent \$300,000 – or about \$2 per student. Mr. Kopp emphasized that Albemarle spends a lot more on administration than Palm Beach County does, and in a U.S. News & World Report on “college readiness,” Albemarle had a score of 30.5, with Palm Beach County having 29.8. He stated that it cost \$5,000 per student more in Albemarle – with a total cost of \$11,000 per student versus \$6,000 spent per student in Palm Beach County. Mr. Kopp asked how that county is getting almost the same result by spending so much less. They have a much easier job in Albemarle than Palm Beach, where 150 languages are spoken in the schools – with demographics of one-third black, one-third Hispanic, and one-third white. He stated that the problem in Albemarle seems to be that they are accepting budgets from the School Board and the Superintendent without questioning where and how that money is being spent.

The next speaker, Kelly Wozneal, was not present.

Mr. Charles Battig, a resident of the White Hall District, said that national studies show there has been no correlation between what states have spent on education and their measured academic outcomes – and the same types of studies in Virginia have shown that spending has increased, but academic achievement has remained flat. Mr. Battig referenced a book entitled, “Never Enough,” which addresses the issue of open-ended need in government. The ACE program is one of those open-ended items that cost taxpayers rather than being funded privately as it should be. He stated that one cent has been “baked in” to this proposed budget for ACE, whereas previously the Board had debated significantly over adding 1.7 cents to the entire budget.

Ms. Jasmine Snoddy of the Scottsville District, Ms. Lizzie Rives of the Rivanna District, and Ms. Elaina Binger of the Scottsville District, said they were present to support the school budget. They commented that the higher tax rate will keep the schools' deficit as small as possible, will lessen the impact to students' education, and will fully fund the state's mandates for the retirement system and stormwater management. They also said that the tax increase will benefit the community and allow the County to hire three additional police officers, which will greatly impact emergency response times and save lives. Ms. Snoddy stated that it will also pay for an additional social worker.

Mr. Robert Tai, a resident of 2110 Lonicera Way, located in the northern part of the County, said he has lived here for the past dozen years. Mr. Tai said that he teaches at the University of Virginia and was before the Board to express support for the Superintendent's budget as presented to the Board of Supervisors. He stated that he understands the tax burden on the County, but the taxes that go toward the school budget are a direct investment in the future of the County, where they are headed as a County, and how they are viewed by the rest of the world. Mr. Tai said that businesses that look to locate or relocate consider the investment being made in public education, which has a direct reflection on property values and the community perception. He stated that the \$2.5 million budget gap is a gap between where they are and where they should be, and closing that gap is something they need to reach for – something that should be viewed as an investment in the future of the County.

Mr. David Schmidt addressed the Board, stating that he is a resident of the Rivanna District and acknowledges the work that has gone into the budget. Mr. Schmidt said that in general, he approves of the proposals made, but he wants to address the recommendation of an office of economic development. He stated that he is in support of this minor investment in the future of the County. Many people here believe the County is fine the way it is – or are looking for a reduction in the general tax burden – and it makes sense to encourage a revenue source other than property taxes by developing business in the community. Mr. Schmidt said that the exception he would take with the proposal is the notion that somehow bringing in business will have a net beneficial effect to the bottom line of the County. He stated that the Economic Vitality Action Plan and Comp Plan make it very clear that the Board's primary intent is to serve the needs of the existing population, and to develop the human, environmental and economic resources of the County. Mr. Schmidt said that he hopes the program administrator will work to promote the development of existing businesses, increase the utilization of unemployed and underemployed in the County before going out to seek business by bringing in additional workers and thereby increasing the infrastructural requirements and the requirements for increased taxing.

Ms. Lettie Bien said that she lives in the Rivanna District and supports the tax increase as well as the economic development program, which as proposed by staff seeks to promote growth to enhance the tax base. Ms. Bien said that this depends on what kind of growth is promoted. The primary principle goals of the Comp Plan are to preserve the natural, environmental and heritage elements of the community, to benefit the economic well-being of current residents and local businesses, to expand the tax base, to create quality jobs for its citizens, and to contain the burden of government on its citizens by diversifying sources of revenue. Ms. Bien stated that this includes providing local residents with an improved standard of living and enhanced quality of life. She said that the fundamental mission of any newly organized economic development program should be to coordinate, guide and intelligently manage the growth of County enterprises so it respects the prime directive – to serve the local citizenry with enhanced prosperity and environmental preservation. Ms. Bien stated that to that end, the uniqueness of Albemarle County dictates that the economic development office not necessarily follows the traditional course of such programs. The office should focus first on existing business expansion where jobs are developed for highly skilled residents as well as the unemployed and underemployed. She said that while she agrees an economic development program will look to bring in new business in their targeted industries, it should not be the first and most pressing start. Ms. Bien said that the Board needs to provide appropriate direction to staff that ensures the economic development office is a win-win for all, which it can and should be.

Mr. Andre Slanopos said that he is a resident of Charlottesville but owns property in Albemarle and Louisa counties. Mr. Slanopos said that raising taxes does not invite new business, and in fact pushes businesses out and stalls job growth in general. He stated that the Virginia Retirement System benefits, as stipulated in the State Constitution, “shall be funded using methods which are consistently but generally accepted principles.” Mr. Slanopos said that raising taxes for VRS is not a generally accepted principal. Senate Bill 487 mandates a salary raise to go along with the VRS mandate, and it is not taxpayers obligations to pay for their retirement.

Ms. Carrie Taylor addressed the Board, stating that she is a resident of the Scottsville District and a teacher in Albemarle County. Ms. Taylor said that she has served on the superintendent’s budget advisory committee for two years. Even with the full funding of the budget, there is still \$2.4 million that will not be paid. She stated that of that, even if the Board removes the new initiatives, the schools will still be at a point of having to cut the salaries of teachers and staff and/or increasing class size. Ms. Taylor said that whatever happens to the teachers and staff in schools should happen equally to all the members of County staff.

Ms. Nancy Carpenter said that she is a resident of the Scottsville District and supports the budget as presented – including the school budget as presented, with the associated tax increase. Ms. Carpenter said that she has heard a lot of information in the City and County budget discussions that people want “quality employees for businesses,” but that’s not going to happen with large class sizes, program cuts, etc. She stated that in attending a recent event at Charlottesville High School, she learned that many students have really good business ideas – but just need mentoring and coaching, and other support for home-grown businesses. Ms. Carpenter said that the way to address local employment issues is to have world class schools.

Mr. Mike Basile, a resident of the Samuel Miller District, asked people who support not raising the tax rate to stand. Mr. Basile said that the Board of Supervisors provides the funding for the schools, and the citizens expect them to justify those allocations. He stated that regarding goals for the budget, what is missing is the families of Albemarle, and the people who come in and ask the Board to raise taxes to fund the teachers do not speak for him. Mr. Basile asked how they are actually helping neighbors, especially those who are poor, by raising taxes and making it more expensive to live. He stated that in regards to the budget, they need to include the goal of helping Albemarle families.

Mr. Keith Nicoletti said that he lives in the White Hall District and asked the Board to not raise taxes for FY15. Mr. Nicoletti said that he has spoken about this before because more is being taken from the citizenry every year, leaving many with less for their families and more in the hands of government, where a select few determine the expenses for the masses regardless of impact. He stated that the school budget depicts “vaguely described programs, ambiguity and confusion,” and line items such as “lapse factor funding,” where \$2 million is earmarked annually for retirements, layoffs and new hires, yet ends up applied to other programs not associated with lapse factor. Mr. Nicoletti said that the “open doors” program has adult users who attend classes such as basic beekeeping, artistic use of garden plants, and spice up your summer grilling – and this program has no business being operated by K-12 administrators, and time managing this is another distraction from managing actual school programs. He stated that in reviewing the principal and assistant principal staffing levels in Albemarle County schools, the current assistant principal staffing levels in the elementary schools alone significantly exceed state standards. Mr. Nicoletti stated that only three schools meet the enrollment thresholds of 600 students for a half-time assistant principal, and none meet the threshold of 900 students for a full-time. Currently eight elementary schools are staffed with a full-time assistant principal – which adds over \$1 million to the school budget. He said that there are also two full-time paid assistant principal interns at a cost of \$119,000, but there is no state standard for that. Mr. Nicoletti said that the school budget raises more questions than it answers. In the midst of a poor economy where citizens’ mean incomes are dropping, it is the responsibility of the Board – not the citizens of the County – to ensure that the government is funded appropriately.

Ms. Andrea Heapes, a resident and mother of four in the Rivanna District, invited those present who were in support of full school budget funding to stand. Ms. Heapes said that as a longtime resident of the County, she is concerned about the decline in investment in the schools, and 15 years ago she and

her husband limited their property search to Albemarle based solely on the quality of the school system. She stated that they chose to invest in the County because the County chose to invest in education, and she was dismayed to see that Albemarle is no longer setting the standards that others follow. Ms. Heapes said that as the Board decides how to allocate limited funds, they should consider the fact that education drives local economic development. The overall skill level of the local labor force is one of the key drivers of local job and wage growth. She stated that tax increases are rarely popular, but a failure to invest in schools will have long-term consequences, and with the proposed tax rate the average homeowner will see an increase of less than \$12 per month, and people owning property valued at \$750,000 would pay less than \$30 per month. Ms. Heapes stated that people who are fortunate enough to be in that position can afford that increase. She said that Albemarle cannot afford to rest on its past success, and other comparable counties around the nation are investing in education and doing more. Ms. Heapes stated that the community has great resources, and can and should do better for the children of this County. She said that the Board cannot fix the educational system of the nation, but it can ensure that every child in Albemarle has access to the very best education available. She asked the Board to fully fund the school budget as it was sent to the Board regardless of what it may take.

Mr. Steve Gissendaner addressed the Board, stating that he is an employee of Albemarle County Schools and a resident of Greene County. Mr. Gissendaner said that the RIF policy in the schools is not based on seniority, and agreed that is short-sighted to lay off people now when they might be needed the following year. He also stated that there has been an outside audit of the school several years earlier, and changes were made on the basis of that audit. Mr. Gissendaner said that the real problem with VRS is that 18 of the last 20 years, the General Assembly and Governor decided not to fund it – and basically play a shell game with money so they would not have to raise taxes, and still provide services to residents of Virginia. He stated that in comparing Albemarle to other localities, he would make \$11,000 more in salary if he were to move to Loudoun County and do the same job.

Mr. Dave Redding said that he recently moved from the City to the Rio District of the County and finds that the County has cut to the bone with services. Mr. Redding said that he appreciates the Board stepping up to the plate to close the funding gap. He expressed support of the idea of having the economic development position move under community development.

Ms. Anne Garrity said that she is a White Hall District resident, a County teacher, and President of the Albemarle Education Association. Ms. Garrity stated that their slide presentation shown at some of their town hall meetings makes the case for approving the tax rate better than she can do, so she would comment on the process. She said that this is a grueling and rather silly process that turns into a shouting match to see who can yell the loudest, and that is no way to make a decision about the future of the children. Ms. Garrity said that the more valid contest was held at the ballot box in November, where education was the top priority in every survey of citizens. She stated that she keeps hearing about hardship, but what they're talking about with a tax increase equates to \$10 a month – and she hopes that anyone qualifying for a tax exemption will get one, but she knows there are many affluent people with land use exemptions who pay very little tax. Ms. Garrity asked why they always balance the budget on the backs of teachers and police and firemen. She said that she does not hear about the hardship to find passionate teachers who are already working two jobs, in many cases, paying for materials out of their own pockets, and who now have to fear losing their jobs. What about the hardships to children falling through cracks in classes of 30 or more students. There is plenty of hardship to go around. She said that even with full approval of the advertised tax rate, the schools will still need to find \$2.5 million in cuts, and that's the compromise that has already been made. Ms. Garrity asked Board members to stand by their pledges to support education, at an average cost to the taxpayer of \$10 a month. The educators are committed to the children and families of the County – but the question is, are Board members.

Mr. Patrick Barnett, of the Samuel Miller District, thanked Board members for their work on the budget. Mr. Barnett said that schools are a key element to the County's economic success, as high-quality schools attract families, businesses, and corporate and government jobs. He stated that they drive real estate valuations, create wealth and economic growth. He asked the Board to support the School Board's budget for fully funding for FY2014/15 and approve the advertised tax rate increase by 4.2 cents. Mr. Barnett said that for the last few years, the schools, children and community have suffered from the lack of adequate funding. As the state cut its support for school programs and teacher pensions, the County exacerbated the problem with its own budget cuts. He stated that since 2009-10, they have lost numerous full-time employees and as many as 19 teachers, while the same time adding 650 students to school enrollment; decreasing budgets and staff while increasing student load is a recipe for decline. Mr. Barnett said that the hole they are in is deep, but if they fail to fully address it now it will only get deeper. He said that it is infuriating that the State passed the pension costs onto the County, but they have to address it. The Board should not perpetuate the budget shortfalls today by passing them onto tomorrow. Mr. Barnett urged the Board to raise the tax rate to 80.8 cents per \$100, and fully fund the school budget.

Mr. David Van Roijen said that he resides in the Samuel Miller District. He said that he was before the Board to tell them that they were elected to use tax revenues from the public to provide basic services, and reminded the new Board members that this is a mundane job of allocating existing resources, not one of "acting as a fairy godmother," granting wishes here and there. Mr. Van Roijen said that some of the Board members believe that as the County grows, they have to raise taxes – but he calls that poor planning. He then recalled a previous Supervisor who wanted to raise taxes and was not reelected. He thanked the Board for holding the line on raising taxes.

With no further comments, Ms. Dittmar closed the public hearing on the proposed budget.

**(Note:** The Board took a recess at 7:26 p.m., and reconvened at 7:39 p.m.)

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Agenda Item No. 7. Public Hearing to Receive Comments on Proposed Calendar Year 2014 Tax Rates. *(Advertised in the Daily Progress on March 30, 2014.)*

Ms. Sharon Lloyd said that she is a resident of Louisa County but owns property in northern Albemarle County. She said that she choose to live in Louisa so she can pay taxes for the Albemarle property because she is not in the privileged land use area. Ms. Lloyd said that she is a product of Albemarle County Schools and has been an educator for 22 years, the last 13 in Albemarle. She stated that they have had a stellar school system in the County for over 40 years, but does not want a tax increase. Ms. Lloyd said that she would like to see the School Board and Board of Supervisors support the entire County by being more creative and judicious with funds, and help educators on how to be wiser and thriftier with money. She stated that she has to balance her budget at home, and feels they need to be called on the carpet to do the same.

Mr. Robert Butler addressed the Board, stating that he is a resident of the White Hall District. He said that he and his wife go to great lengths to conserve energy to save money. He said that he was surprised to learn that it was only in 2009 that the County announced it would have to try to use less energy to save money. Mr. Butler said that there is a true indignity in people saving money for themselves when they might need it someday, while they are paying for this waste. He stated that his wife is a conservationist, and he is a conservative – and he hopes that County employees would start to look at everything they do in a conservative and conservationist way, and that is how they will keep taxes from continuing to going up.

Ms. Laura Steenburgh said that she is a resident of the Samuel Miller District, is co-president of the Meriwether Lewis PTO and the mother of two elementary school children. Ms. Steenburgh said that she supports the tax rate increase, in part because it will better fund the schools. She said that she spent hours reviewing the schools' budget proposal and asking lots of questions of the Superintendent's office. She said that she believes the requested increase is justified for many reasons – including increases in enrollment and VRS costs, the fact that high-caliber teachers deserve competitive wages, and students of the County deserve a high-quality education. She stated that based on community expectations, they are underfunding schools. Data shows that inflation-adjusted per-pupil spending is \$1,500 less than it was in 2009. Ms. Steenburgh said that she feels they are underfunding much of the County's infrastructure and services. The County's revenue will only cover 60% of the capital expenditures planned for FY15. She stated that failing to pass the tax increase will prevent the Board from staffing that police force sufficiently, will not fully fund the schools – likely causing teacher layoffs, and will mean that libraries cannot stay open to meet citizen demand. Ms. Steenburgh said that during the recession, County leaders cut back on spending, and on average decreased homeowners' tax obligations each year of the last five years. As the economy recovers, the Board needs to begin to reinvest in all that makes the County a great and safe community that takes care of its citizens. The Board is predictably receiving some negative feedback on its efforts to generate revenue via a tax increase. While the tax increase may be a hardship for some, even with the full 4.2 cents increase, the average homeowners' tax bill will still be less than their bill was five years ago. She stated that the tax rate the Board is setting may be a historical high, but the tax bills are not. While it is important to listen to constituent opinions, Board members must also remember that they are the stewards of the County. Many of them stated, during their campaigns, that they believed in the importance of good schools, strong public safety, a robust infrastructure and access to community services for all citizens. Ms. Steenburgh said that it is their role to have the courage to do what may not be politically easy, but is certainly right for the County.

Ms. Carole Thorpe said that she is a resident of the Jack Jouett District and has lived in the County for over 20 years. She said that the Jefferson Area Tea Party is opposed to raising the tax rate to 80.8 cents. Ms. Thorpe stated that her son will graduate from Albemarle High School but will not be able to care for himself as he gets older. She said that when she joined the Tea Party five years earlier, she was afraid of the direction the County was heading in, in terms of devaluing the labor, health and the time that it takes families to earn a living. Ms. Thorpe stated that the tax dollar is seen as something as just a number on a page that can be shifted around on a page without impact on families. She said that she receives calls on a monthly basis from people who are struggling to make ends meet. She said that taxpayers are viewed as an endless source of money for people, and regardless of where the tax bills were five years ago, residents' situations is not where it was five years ago. Ms. Thorpe stated that if she felt the School Board had done everything it could to trim the budget and do everything possible for students, she would have a different point of view – but she doesn't feel in her heart that they have, and thinks that the Supervisors don't feel that either. She said that people are hurting, and they are trying to do everything possible to support their community.

Ms. Amy Gore said that she is a resident of the White Hall District and is before the Board as president of the Western Albemarle High School PTO, and is asking the Board to fully fund the school budget. Ms. Gore said that the school budget is never going to be fully funded, and that makes her sad and angry. Twelve years ago she moved to Albemarle from Greene for one purpose – she wanted their children to go to Albemarle County schools. She stated that she recently took one of her children to a tour of colleges, and the admissions officers recognize Western Albemarle. Ms. Gore said that she is afraid that if the Board does not fully fund the schools, her 7<sup>th</sup> grader will not have that experience. While Board members may not be responsible for sending out RIF notices, they are 100 percent responsible for determining how much money the schools will have and how many teachers will be employed. She stated that every Board member has run at one point on saying they support maintaining strong public

schools in the County, and she wants them to look into the eyes of every student and tell them that their education is not worth \$12 a month.

Dr. Charles Battig said that dollars spent do not necessarily equal achieved results, and he would like to know the definition of "world class" schools. Dr. Battig said that in the proposed County budget, there are several human resources programs that seem to be duplicative – focusing on recruitment, retention and positive engagement of staff – both with more than \$100,000 in budgets. He stated that there is also an additional \$61,000 for a fund to attract, retain and reward employees. The budget is full of lots of little items buried away that the Supervisors as part of their job need to dig out.

Ms. Stacy England said that she is an Assistant Principal at Burley Middle School and lives in the Jack Jouett District. Ms. England stated that a previous speaker referenced a report on the need for assistant principals based on enrollment, and she is in a school that technically would not qualify because it is under the 600 student level. Currently she supervises 31 staff and the principal supervises 35. She cannot imagine having to supervise the entire school in addition to all of the other responsibilities. She said that what the speaker didn't mention is that the Virginia Board of Education is recommending that the standards be raised so there would be an elementary school principal in every school regardless of size, and assistant principals in schools with lower enrollments. Ms. England stated that her sister works in private industry, and the standards in business are to supervise 10 people in order to do an effective job.

Mr. Mike Basile, a resident of the Samuel Miller District, said that there was a whole list of items that the schools had the possibility to cut besides just increasing class sizes, but those have not been brought forth to the public. Mr. Basile said that the Board of Supervisors needs to provide close oversight to the School Board budget, because it is very confusing and begs to be audited and defined for everyone. He stated that there is no crime wave in Albemarle County, and the police budgets do not need to be raised. Mr. Basile also said that there are people who could champion economic development in the County without funding a local government office for it. He stated that Albemarle County families are the stewards of the County, and should keep their money by not being further taxed.

Mr. Jim Moore addressed the Board, stating that he is a resident of the City but would like to relocate to the County but is reconsidering it because of the taxes. Mr. Moore said that he has a business degree. There have been pushes since 1990 to adequately compensate teachers – which started an increase that grew much faster than inflation or any other economic indicator. Mr. Moore stated that in the 1970s, G.E. supervising engineers had five to eight engineers underneath them, but today they have 50 engineers to supervise – and the school system is an example of an archaic system that has not kept up. He said that if they had educational results to go along with the investment made over the past 25 years, there might be something to base this on, but they do not have that. The class sizes have gotten smaller; in the 1950s teachers taught classes with 40 to 70 students, without professionally trained certified teacher aides. Mr. Moore said that if the management would find a way to keep good teachers and get rid of bad ones, everything could be adequately covered.

Mr. Chris Kopp said that he noticed Dr. Battig's information about promoting positive employee relations with a budget of \$111,000. Several years ago he read in the newspaper about principals having a budget to give books, gifts, etc., to their teachers. He said that the Board needs to be careful with taxpayers' money. Mr. Kopp said that he can afford to spend a little bit more in taxes, but he still wants it to be spent well. He stated that he keeps hearing how well the schools are respected here, but U.S. News & World Report's college readiness rating of 30.5 is not a good rating. Mr. Kopp said that if the schools come back next year to the Board asking for more money, then they need to show that they are responsible for their own performance and come back with better results.

With no further comments from the public, the Chair closed the public hearing on the proposed tax rate.

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Agenda Item No. 7. From the Board: Committee Reports and Matters not Listed on the Agenda.

Ms. Dittmar asked if there were any committee reports or reflection on the meeting comments.

Board members indicated they would save their discussion for the work session the following day.

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Agenda Item No. 8. Adjourn to April 9, 2014, 4:00 p.m., Room 241.

At 8:05 p.m., Ms. Mallek **moved** to adjourn to April 9, 2014 at 4:00 p.m., Room 241. Mr. Sheffield **seconded** the motion. Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Sheffield, Mr. Boyd, Ms. Dittmar and Ms. Mallek.

NAYS: None.

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Chairman

Approved by Board
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Date: 09/03/2014
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Initials: EWJ
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