

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on April 9, 2014, at 4:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from April 8, 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 4:01 p.m., by Chair Ms. Dittmar.

Agenda Item No. 2. Work Session: Courts Project.

The following executive summary was forwarded to Board members:

On March 5, 2014, staff presented to the Board background information regarding the September 2012 Courts Master Plan Study completed by PSA-Dewberry, Inc. (Attachment A), the Board's prior discussions on the Courts Project options, and a status report on the project. After reviewing and discussing the information presented, the Board directed staff to schedule a work session on April 9, 2014 with stakeholders from the Courts (Judges of the County Circuit and General District Courts and the City General District Court), the County Sheriff, the County's Commonwealth's Attorney, the County Circuit Court Clerk, and a member of City Council and the Charlottesville Albemarle Bar Association.

Attachment B provides minutes from and background information regarding a March 28, 2013 meeting staff held with the consultants and key Courts stakeholders (Judges, the Commonwealth's Attorney, the Sheriff, the Court Clerk, the County Executive, representatives from the Bar Association and the Public Defender's Office, and others). The discussion from and results of the March 28th meeting were presented to the Board on May 1, 2013.

Strategic Plan Goal 2 is to provide community facilities that meet existing and future needs.

The purpose of this work session is to discuss the two basic Courts Project options under consideration by the Board (Downtown Renovation/Expansion, County Courts Complex Concept). During the work session, staff will present primary factors and considerations associated with each option. In addition, there will be an opportunity for the Board to hear from stakeholders from the court system.

The total CIP request for the Courts Project is approximately \$43-Million over a 7-year period, based on the Downtown Renovation/Expansion option.

Staff recommends that the Board schedule a further discussion at the earliest opportunity to consider the information presented on options and "Courts Complex" stakeholder feedback prior to providing final direction, including any desired opportunities for other stakeholders and the public to provide input."

Participants introduced themselves: Palma Pustilnik, President of the Charlottesville-Albemarle Bar Association; Page Williams, President-elect of the Charlottesville-Albemarle Bar Association; Jim Hingeley, Public Defender; Satyendra Huja, Mayor of Charlottesville; Bob Downer, Chief Judge of 16th Judicial District; Bill Barkley, Judge – 16th Judicial District; Judge Cheryl Higgins – 16th District Juvenile & Domestic Relations Court; Chip Harding, Sheriff – Albemarle County; Debbie Shipp, Circuit Court Clerk; Bob Stroh – Charlottesville Downtown Business Association; Denise Lunsford – Commonwealth's Attorney.

Mr. Foley introduced County staff: Ms. Lee Catlin, Mr. Bill Letteri, Mr. Wayne Cilimberg, Mr. Trevor Henry and Mr. Larry Davis. Mayor Huja introduced Mr. Aubrey Watts from City of Charlottesville staff.

Ms. Dittmar stated that, in early 2000, the City and County together hired a consultant to look at the needs of all five courts, and the consultant indicated that there needed to be new facilities for the Juvenile & Domestic Relations Court, keep the Circuit Court separate, and combine General District courts. She said, sometime during that timeline, the City and County purchased some joint property and completed the juvenile court. Ms. Dittmar stated that the second phase included a second study that only considered what the County's needs were, and she understood that occurred because the City felt its General District Court had sufficient space and did not have any security issues. She said the consultant came back with recommendations and County staff, along with the previous Board, made some progress – but when four new Supervisors took office, they needed to be updated, were briefed in early January and decided that the next step should be hearing from stakeholders again. Ms. Dittmar said there wouldn't be decisions made today, but staff would come back to the Board in June or July to ask for some additional direction.

Mr. Foley said staff would provide a brief overview of the options – on both the downtown court facilities and a County complex possibility, either a greenfield development site or a redevelopment site in an urban area. He stated that the original study from the Board called for them to look in town and out of town. Mr. Foley said the reason they began looking at out of town started by a discussion of splitting the courts – with one portion out in the County, leaving the other downtown – but the new Board felt that didn't make a lot of sense, so that option is off the table now.

Mr. Foley stated that the reasons they are looking at County sites are: this is a \$42 million investment the County will make with taxpayer dollars, and will drive the need for a tax increase in the future; an investment in a County site could stimulate economic development and redevelopment of a site, which are important in terms of land use planning and considering the development of the community; the desire to assure convenient parking for our citizens, and future facility expansion options and flexibility; and the unique opportunity to create a new urban center in accordance with the master plan for Places 29, as the Route 29 intersections with both Rio Road and Airport Road were envisioned as future urban centers where public investment might be focused. Mr. Foley said staff realizes that this is a significant undertaking and recognizes the challenges in making this a reality, and this is something which needs to be discussed at another level. He stated that requirements for a County site include approval by referendum for the Circuit Court to ever be moved out of the City, a longer timeframe in order to realize a new court system in the County, more effort and investment for interim solutions with the downtown site, and uncertainty as to how to make the County solution a reality.

Mr. Trevor Henry addressed the Board, stating that he would briefly review the downtown option with the Board, noting that this option had been discussed significantly over the last 18-24 months. Mr. Henry presented a picture of the courts complex, noting the location of the existing courts and stating that the Levy Building is an important player in the downtown option and also the lynchpin to making it work. He said Levy is jointly owned with the City, as is the Jessup House and the 7th & Market Street parking lot – and those properties have been appraised and discussed by the County and the City. Mr. Henry stated that the County moved forward with this study due to current constraints experienced by both courts, and the study concluded that there are current needs which exceed one courtroom for Circuit and General District – and based on population trends and caseload trends that would continue to grow over the next 20-30 years. He said the concept of needing more space was further validated through the study, and there were also concerns about security, separation of circulation within the courts, and record storage.

Mr. Henry said what is envisioned for downtown is a phased approach with the Circuit Court and General District Court complex and then the Levy Building, and the plan is to retain and fully renovate the historic opera house to house the Commonwealth's Attorney. He said the 1970s addition would be demolished, and there would be a new construction addition that would tie into the current opera house – with at least three or four floors depending on ultimate build-out, with at least two court sets and space for the Clerk, housed over secured parking for 28 patrons of that facility. Mr. Henry stated that, as soon as the demolition was complete and the opera house was renovated, the Commonwealth Attorney would move out, and the General District Court complex would be constructed; the last stage would include a series of renovations to the historic court complex which would allow the Clerk's office to move, and provide full use of both court sets for the Circuit Court. He said the project is expected to take seven years from the time design begins, with an estimated cost of approximately \$42 million – or higher if they do a third court set to anticipate future growth. Mr. Henry noted that the cost estimate does not include any additional parking other than the secured parking mentioned at Levy.

Mr. Wayne Cilimberg addressed the Board, stating that as Mr. Foley mentioned, there is a focus in the Comp Plan on what they try to accomplish in the development areas of the County, which comprise about 5% of the total land. Mr. Cilimberg stated that a courts complex in the County has the possibility of furthering what those development areas intend to do, which envisions urban communities where people live, work and play; and investing in a public facility such as a courts complex could stimulate other investments which create a center of urban activity and a sense of place. With Places 29, a master plan in the County's northern development area, they had depictions of how existing suburban form might be transformed by both public and private investments. He showed an example of what the Berkmar Drive/Fashion Square area might look like as redeveloped, stating that it utilizes urban design principles which the Comp Plan has referred to as the Neighborhood Model for about 15 years; it presents multi-modal transportation opportunities, pedestrian orientation, and a mixture of uses.

Mr. Cilimberg noted that no particular building or location was identified for a courts complex itself, but it is easy to envision how that might be a logical fit in an urban setting and would help to encourage other development investments in the same area. He said there also was a Places 29 example for the Sam's Club parking lot, which is an opportunity to develop further in an urban forum but also extend Berkmar Drive northward across the South Fork Rivanna River – and also provide for an infill of buildings and places that are of human scale. Mr. Cilimberg said there would ultimately be the opportunity to create a neighborhood-type center, and a courts complex could be a catalyst for this vision with affiliated offices supporting commercial and residential uses in close proximity to the complex. He stated that the County has some experience with investing in public projects that will hopefully stimulate urban development, such as the Crozet Avenue streetscape project, a new Main Street in Crozet in association with the new Crozet Library, and the completion of the library itself. He said there is the possibility of reinvigorating Rio Road, such as the conversion of the old Philips Building Supply to a new northern urban library, as it is along an important stretch of Rio Road near Route 29 and a potential catalyst for further development and redevelopment in that area.

Mr. Cilimberg said Mr. Foley has noted two possible approaches to developing a courthouse complex in the County – a greenfield development, which would utilize open land within a larger

undeveloped area where complementary development might occur; urban redevelopment would locate the complex on land that is currently developed – possibly in partnership with private interests in an area that might be right for further transformation. He stated that there are examples around the state of both greenfield and urban redevelopment: Newtown in James City County is a greenfield approach with public/private development in conjunction with new court facilities, which began as open rural land close to the City of Williamsburg and has subsequently transformed into a courthouse and adjacent mixed-use development. Mr. Cilimberg said the courthouse is the prime part of that development, but there is a mix of residential, office, commercial development, and adjacent areas. He stated that, with a site such as Mill Creek Drive, the possibility exists to use open land that the County owns adjacent to the Monticello Fire Station to the south of Mill Creek Drive, and that could stimulate complementary mixed use development nearby. Mr. Cilimberg said they've already heard at the Board's Comprehensive Plan public hearing that community interest in Mill Creek Drive between Avon Street and Route 20, eventually evolving into a town center in the southern urban area. He stated that the County has laid out one concept on that land, although other design approaches of a more urban form could provide similar opportunities to that in James City County.

Mr. Cilimberg said another redevelopment example is in Arlington County, which started with an old 1900s courthouse and became the center of a major urban downtown center. He stated that a similar possibility in Albemarle might be the redevelopment of a shopping center such as Albemarle Square, as depicted in Places 29 as part of "midtown," including urban mixed use centered around the Route 29/Rio Road intersection. Mr. Cilimberg said planning this area with a courthouse complex could provide opportunities similar to Arlington but of a lower urban scale. Mr. Cilimberg stated that, for either option, further planning would be necessary which incorporates both a potential site and surrounding areas, addresses land use and transportation, and involves property owners, businesses and the general public.

Ms. Dittmar acknowledged that Judge Higgins had arrived.

Ms. Lunsford asked if they were still considering relocating all of the County courts, or just General District Court. Mr. Letteri said staff had discussed with the Board earlier the split option, but they clearly did not favor that option, so the idea behind the complex is for all three courts to be located together.

Ms. Lunsford stated that Juvenile & Domestic Relations Court is a combined City-County court. Mr. Letteri said that they're two separate courts in one combined building.

Mr. Davis clarified that they're not a joint court operation, they're a shared court facility with a shared clerk.

Ms. Lunsford stated that she is a bit frustrated with this process, which has been going on for over 15 years as part of discussions with the City and the County. The original study was so old they had to have a new study. She said the new study, as she understood it, entertained a downtown option of the District court moving across the street and that facility being used for adult courts. Ms. Lunsford stated that they have a "sense of place," and that is the little bit of Albemarle County that exists in the City of Charlottesville, and where the court sits was never dedicated to the City. She said where the court sits now is centrally located, and allows City and County courts to work together. Ms. Lunsford said the term "controlled chaos" was used, and that is how it may appear from the outside – but this is how they're used to operating, and having the courts next to one another is extremely convenient. She stated that it's not just being in the historic courthouse, it's the ease of the practice and the way they operate in both criminal and civil courts. Ms. Lunsford said the traffic congestion to get to Rio Road or Airport Road, especially for people from Scottsville or Crozet, would be as frustrating as looking for parking downtown. She said there was an issue recently with developing the Mill Creek site, and that would be the same with the court complex. Ms. Lunsford emphasized that they work really well as a court system now, and parking has improved over the last few years – with very few complaints.

Mr. Huja said the City needs to cooperate with the County in this regard, not just with development but also with parking.

Ms. Lunsford agreed, stating that the more they can cooperate as jurisdictions the better off they are.

Mr. Huja stated that they've tried to do that the past few years, and he hoped it would continue.

Ms. Dittmar asked Mr. Stroh to provide some input on parking.

Mr. Stroh said he manages the Water Street parking garage, the Market Street parking garage, the lot on Water Street next to the parking garage between the City Market lot, a portion of the Juvenile & Domestic Relations court parking lot, and the Charlottesville Parking Center, Inc. is currently finalizing plans to manage the 7th Street lot between SNL and the City Hall annex. He stated that they could adjust the situation to meet whatever the needs might be, because all of those agreements and contracts involve the City of Charlottesville, which is their primary partner and landlord for the properties. Mr. Stroh said there are busy days, and they typically revolve around court days – which normally impact the Market Street Parking Garage; adding that the Water Street Parking Garage has only been filled twice in 20 years, once for the Dalai Lama and once for Bruce Springsteen. He stated that there is structured parking, off-street parking and on-street parking, all of which have different demand factors – and all of which can be adjusted using management techniques.

Ms. Lunsford asked what he meant by that. Mr. Stroh explained that the Market Street parking garage, for example, has a certain level of monthly parking that is sold out, which leaves a certain number of hourly spaces – but that's not set in stone and can be adjusted by limiting the number of monthly or hourly parkers. He said this could be done through a very simple policy decision through the CPC and the City and, as of April 7, the limits had been capped and were declining through attrition. Mr. Stroh stated that the same holds true for on-street parking, such as they do in Fredericksburg, and the CPC had not had a discussion as to how to manage this since the juvenile court opened. He emphasized that they have the capacity to meet the needs with Market and Water Street parking garages, on-street and off-street parking, and possibly the 7th Street lot. Mr. Stroh said there is also the option of adding a new structure or adding a deck to an existing location, which are options available to the City or private enterprise, such as adding another level to the 7th Street lot. He noted that these would be small additions, but would also be inexpensive.

Mr. Huja said there are numerous parking options, and he did not want that to be the reason the County chose to relocate the courts.

Ms. Palmer stated that the parking problem is what has been presented to the Board, and what they need to know is how many parking spaces are estimated to be needed.

Mr. Huja said that they could use existing parking, add new parking, or pursue a joint partnership with the City.

Ms. Lunsford stated that, in light of Mr. Stroh's comments and the availability of Water Street Garage, she didn't understand the perceived parking problem.

Mr. Boyd asked if people who go the court system pay to park at the Water Street garage.

Ms. Mallek said the problem experienced with parking in a two-hour space is not knowing when a matter will be called on the court docket.

Ms. Lunsford clarified that the problem isn't with availability of parking, it's with free parking.

Ms. Palmer said that there is also a problem with handicapped parking.

Judge Downer stated that part of the problem is that people don't want to pay for parking, and that attitude has been pervasive in this community – and he will delay finalizing a case for at least 15 minutes because he knows they are driving around looking for parking. He said that is not his chief concern, but the statements made here will help alter that perception, and people in larger communities regularly pay for parking – which is just a reality as the area becomes more urban.

Mr. Huja said, when one goes to court, they stamp your parking permit.

Judge Downer said, in the City, General District Court will stamp for two hours free parking in the parking garage.

Mr. Sheffield asked what the cost would be for the County to offer a parking stamp. Mr. Stroh said it would depend on how they wanted to negotiate the contract, and they could use a set fee or a pay-as-you-go system, but ultimately they would only pay about 40% of the market rate. He stated that they have the ability to contract with any business downtown for various lengths of parking, ranging from a half-hour to all day, with the same sort of discounts.

Mr. Huja said City Council can park free all day during meeting days; otherwise, it is only two hours free parking.

Ms. Palmer asked if staff was prepared to say how much parking they would need. Mr. Letteri said their studies have shown that at least 24-30 spaces are needed for staff parking, and an additional 50-60 spaces are needed twice per week on Circuit Court days.

Ms. McKeel stated that they're talking about what's available now, however, the project would take six or seven years to complete a facility they would hope to last 20-30 years minimum – so it would be wise to talk about long-term arrangements, not just how things are now.

Mr. Huja noted that Mr. Stroh had mentioned the 7th Street parking lot deck, which can be built at any point.

Ms. Palmer asked how many spots that would provide. Mr. Stroh said it would depend on how it's built out, but a single deck on top would provide 63 spaces – which sounds like what the County needs – but there are also other parking location options that the City has spent a reasonable amount of time looking into, and that particular site has been considered in several studies as a location for a larger structure accommodating several hundred parking spaces.

Ms. Lunsford asked for clarification that the 24-30 spaces for staff were not in addition to the spaces they already have for staff. Mr. Letteri said that number is on top of what they currently have, and the development of the General District Court operation on the Levy property provided for another 25-30 spaces which would be onsite and available for staff parking.

Ms. Shipp said that would free up other spaces they currently have.

Ms. Palmer noted that the City isn't seeing the growth in the court system that the County is, and they've decided they don't need the extra space.

Mr. Huja said the last study was done a few years earlier, and there were some needs identified at that time, however, the current caseload doesn't necessitate expansion.

Judge Downer stated that, in 2000-2001, when there was a desperate need for new juvenile and domestic court facilities, there was a need to act quickly to resolve what was a dangerous situation. He said a number of court personnel who were there felt it would be ideal for the City and County to create a structure where all of the district courts could be co-located in one spot, and that parking could be provided for everyone. He said there are many efficiencies to be realized by having that co-location, and he and Judge Barkley have caseloads that will change from time to time and, in 2001, the City's caseload was much larger than it is now – with the County's much smaller than it is now. Judge Downer stated that this has now adjusted for a host of reasons: the urbanization of the County, the types of cases Judge Barkley hears, and the volume of traffic enforcement due to the presence of the interstate and a larger road system. He said the judges are appointed for the district, so it doesn't matter if they are appointed to City or County because they hear other cases anyway.

Judge Downer said, if the courts were co-located, they would have the opportunity to be more efficient – switching cases to other courtrooms when there are overloaded dockets. He stated that, often times, they have people who commit offenses in both jurisdictions, and it would help greatly if their cases could be coordinated. Judge Downer said they are fortunate to have a great defense bar and prosecution offices which are willing to work together, and they need to have that collaboration to continue in close proximity. He stated that moving the district court into the County would eliminate those efficiencies. He pointed out that he does have an interest in a building downtown which is occupied by lawyers – but that didn't have any impact on his input to the court needs studies. Judge Downer stated that his vision for the General District Court would be to have a facility where both clerks' offices, both courts and perhaps three courtrooms could be located so, if the County's caseload grows large enough, they could have three places to continue hearing. He stated that he harbors a bit of a grudge that they didn't take the opportunity to address the complete courts issue back in 2001, when they planned to build the Juvenile & Domestic Relations court anyway – but it would also be a shame to lose that opportunity now.

Judge Barkley stated that the General District Court has thousands of cases, and their goal is to move people in and out as quickly as possible. He said people are not aware of the dividing line between the City and the County, and people aren't even sure which court building is which so they show up in the wrong one and he has to direct them to the right place. Judge Barkley said people would eventually get used to a new facility if it were located out in the County, but there is a benefit to court operations being located downtown. He stated that there is the natural inclination to want a large new facility, but they may not need a huge site – and the maximum number of General District Court judges as set by the General Assembly is four. Judge Barkley said the way information is handled, processed and stored is different now and, with some traffic violations, for example, licenses are scanned and information is sent to the clerk's office without a paper ticket needing to be handled. He stated that the practice of law is different now, as is the judge's way of operating, and the electronic handling of information needs to be considered.

Judge Higgins said she is not particularly optimistic that, even if they go another 30 years, there would be a second Albemarle County Circuit Court judge, and they do use designated judges. She referenced her docket from the previous day's proceedings in Albemarle County Circuit Court, and they started at 8:40 a.m. and end at 4:00 p.m., in two different courtrooms with two different judges – one in the main, and one upstairs. Judge Higgins said she does not see the possibility of adding one more case on the docket than they already have. She said, on the docket for Tuesday, there was an Albemarle Circuit Court case heard in the City of Charlottesville because there was a judge that could hear it, and their courtroom was available. Judge Higgins said the needs for the next 30 years should be carefully examined and, in addition to scanned traffic tickets, juror questionnaires can also be done online now – and there may even be the opportunity for forensic scientists to testify by video instead of appearing in court. She stated that there are a lot of complex issues that may not necessarily be resolved just by having more courtrooms, and agreed that there is a great benefit to having the courtrooms in close proximity. Judge Higgins said she is the resident judge for Albemarle County, but is the judge for the 16th Circuit and, when Judge Berry stepped down, she sat as judge in Culpeper and Louisa. She mentioned that, if Judge Hogshire's position is not filled, or isn't filled soon, she may be hearing cases in the City of Charlottesville so, if the County court is moved up 29 north, that would mean an hour of travel time. Judge Higgins said the courts share other resources such as interpreters also, and there are often defendants that have violations in both jurisdictions – so files and orders can be moved back and forth easily between the courts.

Sheriff Harding said the Sheriff's Office can make anything work, but he has worked his 40-year career downtown so he has some emotional attachments and feels like part of the community there. He stated that he had worked many years in law enforcement in multi-jurisdictional and drug task forces, and officers would end up in County, City and U.S. District courts and could walk between them all. Operationally, he said, the ideal scenario would be like the juvenile court, where there is one egress into the building and a metal detector there as well as the clerk's office and the City and County courts. Sheriff Harding said they all agree that if they remodel downtown they will have to do something to improve security of Circuit Court, General District Court, the Clerk's office, and the Commonwealth Attorney's office – which may or may not impact operational costs versus moving out into the County. He

stated that he didn't know if they would have to add if they stayed downtown and decided to heighten their security, adding that they have the largest reserve division in the state with 60 people helping out and he wasn't sure if the next sheriff would need more from an operational standpoint.

Mr. Boyd stated that the other issue which has come up before is the security issue, and whether they could even retrofit modern techniques into a renovated courts complex.

Sheriff Harding said he didn't think they could get to the level they were with the juvenile court, but they could greatly improve where they are now if they stay downtown and remodel by moving to one egress, adding secure elevators and stairways.

Ms. Lunsford said the information getting to them versus what's getting out to others is curious to her, because they saw a mockup design of the Levy court option that redesigned the current Circuit Court building and provided a way for the judges to get from chambers to the courtroom without any security concerns. She stated that, as she understands, this information was presented to the Board and there is a design for it.

Ms. Palmer said the only reason she remembers bringing up the idea of another design was the parking.

Mr. Boyd stated that his impression was that, because of the historic nature of the building, there was no way to incorporate modern day courthouse techniques in a retrofitted building.

Mr. Letteri said that there are two projects here – the extensive renovation of the historic courthouse, which designers have adjusted such that security concerns are largely addressed although perhaps not what they would be in a fresh new building. He stated that the conclusion is that it would certainly be adequate, and the General District Court is largely a new facility that would have state of the art security issues addressed – so it's not as it would be if you did a new facility, but it is considered adequate.

Ms. Pustilnik stated that the attorneys are the "users that don't live in the building," and thanked the County for the opportunity to join the discussion. She said one of the most wonderful things about Charlottesville/Albemarle is the incredibly collaborative and cooperative bar, and that provides an incredible level of efficiency in a practice which is often unwieldy and emotional. Ms. Pustilnik said her practice is with Legal Aid, so she has to drive to court and find parking each time – and while she gets annoyed with how far she has to walk, she can always find a parking space. She stated that parking is more of an anecdotal issue than a real issue, and her primary area of practice is domestic and sexual violence, with perpetrators not paying much attention to jurisdictional boundaries – so there might be a domestic violence situation whereby a couple lives in the County but there are threatened relatives in the City. Ms. Pustilnik said the fact that she can speak freely with the prosecuting attorneys in both jurisdictions easily is a big deal, and it's also easy for her clients to access the court facilities – with most of them arriving on foot. She stated that, if there's urban development or ex-urban development to be made, it isn't necessary to have a courthouse there to do it, and having a courthouse in the middle of a Stonefield-like development might actually exacerbate the problem.

Ms. McKeel thanked Mr. Huja for being present, and said it seemed that the City would like the Courts to stay in the downtown area. She said there is great collaboration around the table, and what Board members are looking for is that same sense of cooperation between the City and the County over parking and future needs. Ms. McKeel said Mr. Stroh has alluded to some of the things that are possible, with the goal being a sense of community between the City and County.

Mr. Huja said there are short and long-term solutions to the parking problems, and the City should be able to take care of all the needs in the foreseeable future with existing parking – but if there is additional parking needed, they could move forward with a joint study.

Mr. Boyd said Mr. Huja had mentioned getting a stamp for more than two hours of parking, and asked if that was something the City would entertain.

Mr. Huja said, as long as the County would pay for it, that's fine, and the courts pay for it.

Judge Higgins stated that they have a stamp for Albemarle County jurors, and they can park at the Market Street Parking Garage for free for as long as they're in court, but she doesn't know what the cost is.

Ms. Shipp said she's seen bills for as much as \$600, but she's not sure what timeframe that covers.

Ms. Dittmar stated that they could explore those details later.

Mr. Williams said he was glad to hear from the judges' perspective, because they don't get to hear their thoughts very often and he was glad to hear firsthand about the efficiencies. He stated that he's a strong proponent of the downtown court system for that reason and others and, for the public defender, it would be a disaster to have the courts in different locations because he serves both the City and the County, as does Offender Aid and Restoration (OAR). Mr. Williams acknowledged that parking can be an issue, but said that many attorneys are County residents and they would like to see the courts

stay downtown. He said there is also a convenience for the public in having their court records kept close by.

Mr. Hingeley stated that there are two issues which would cause the public defender's office difficulty if the court system were relocated outside the central core of downtown. He explained that they have attorneys that work in both City and County courts, and one person can cover both courts with a little bit of cooperation from the judges to allow some flexibility. Mr. Hingeley said, if the courts are split, there couldn't be one attorney practicing in both, and that would substantially hamper their ability to assign the right attorney to the right courtroom. He stated that it would be a challenge if there was just one jurisdiction for a given lawyer, and currently they go to the combined courts – juvenile, general district and circuit – ten times per day or more. Mr. Hingeley said traveling between a court downtown and one out in the County would equate to an average of eight hours a day of attorney and/or staff time, and added that the issue raised about using interpreters in multiple courts was also a concern. He stated that OAR and the probation and parole office would also be impacted if there were split court systems, and the travel between courts would also add many more cars on the road thereby adding more pollution into the community.

Mr. Huja stated that he appreciated being invited to this meeting, and said that the current court system is working well and he didn't understand why they would want to mess that up. He also offered, on behalf of the City, to help out in this process.

Ms. Shipp thanked the Board for hearing all of the parties involved and stated that she had lived downtown since 1976. She said her main concern is keeping everything in their building, stating that they have the General District Court already there and it could be used as an additional courtroom as well as a storage place for the records currently in the Levy Building. Ms. Shipp stated that they like it downtown and it's convenient to all of the attorneys, but they need to have all of their records there for the convenience and not have them stored offsite or in another building. She said she had several ideas as to how to rearrange the courts complex, but the goal would be to keep everything together.

Ms. Lunsford thanked the Board again for encouraging the conversation but said, regardless of what's decided, the Board needs to arrive at a solution. She said her office is located in the terrace or basement level and, if they're going to stay there for another ten years or more, they need to redesign the space.

Mr. Lloyd Snook addressed the Board, stating that a recent statewide courts capacity study concluded that Charlottesville and Albemarle are already understaffed in judges, and one of the reasons is that the judges are very hardworking and efficient. He said, once the current judges retire and different judges come in, there may be a very different calculation – and so the fact they're already doing the work of one and a half judges doesn't mean it will be that way in the future. Mr. Snook stated that, going from two judges to three judges might mean having a judge sit in both courts, but it would be challenging if those courts are far apart and the new Circuit Court judge would likely cover both jurisdictions.

Mr. Sheffield said it's been a challenging budget year for the Board in terms of explaining the proposed tax increase of 4.2 cents to the public, and telling them they would be spending \$40+ million on courts to equate to two additional cents was even harder. He stated that this is an extremely costly project, and most of his constituents were unaware of the need for it and the reasons for locating it either downtown or out in the County. Mr. Sheffield said it may be worth the investment to stay downtown but, as Supervisors, they are the ones who are talking to the taxpayers and must buy into what the best option is so they can defend it.

Ms. Pustilnik said she would like for him to share with his constituents that not all costs show up in the County tax bills, but would appear in state taxes by way of increased court system costs such as public defenders and court-appointed representatives due to increased travel time. She stated that there would also be a shortage for less affluent constituents in the availability of legal aid, because they have already had their funding cut repeatedly and, in her office, there are just two of them that serve the entire planning district for civil litigation. Ms. Pustilnik said she does primarily domestic violence, Robin Edwards covers landlord/tenant and consumer law and, at the Legal Aid Justice Center, there is Brenda Castenega, with Hunton Williams providing one additional attorney through their endowment of the Rock House to do domestic violence work.

Ms. Dittmar said what Mr. Sheffield is reminding everyone of is that public engagement is really important with big projects, and they were not trying to delay this any further.

Ms. Palmer stated that another reason they are doing this is because when the new Supervisors joined the Board, they were told that the parking situation was a complete impasse – and there was no decision made that they are postponing, so she is extremely happy to learn that there may be a way to resolve that. She said Judge Barkley had raised an interesting question as far as whether people would need to continue to appear before a judge for minor issues, and wondered how long they would actually need face-to-face court.

Judge Barkley stated that one must look at trends, and litigation is too expensive and thus can't be maintained. He said clients are not entitled to an attorney unless they face a jail sentence, and he believes they will start lowering penalties and avoiding jail sentences – with a practical reason being the state doesn't have to pay for a lawyer. Judge Barkley said technology is helping to drive the changes, and video conferencing with clients has improved efficiency and cost savings significantly. He stated

that there's a feeling now that too many people are being put in jail, and they're not here talking about expanding the jail – just the courts.

Mr. Boyd said the previous Board had decided to move forward with staying downtown, and his feeling is that the court systems need to be kept together regardless of where they are located.

Ms. Dittmar thanked attendees for providing input, and recessed the Board meeting at 5:50 p.m.

The Board reconvened their session at 6:03 p.m. for the Board's regular public meeting.

Mr. Boyd said, given the discussion that had just taken place in the work session, he would like the Board to consider asking the City to join the County in moving the entire court system out into the County – which would keep the courts together and provide a new building with significant cost savings.

Agenda Item No. 3. Consent Agenda.

Mr. Boyd **moved** to approve Items 3.1 through 3.4 on the consent agenda. Mr. Sheffield **seconded** the motion. Roll was called, and the motion passed by the following recorded vote (Discussions of individual items are included with that agenda item):

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

NAYS: None.

Item No. 3.1. Fontana Subdivision – Additional \$200 Fine Sign Request.

The executive summary stated that the residents of the Fontana Subdivision have expressed concern about speeding in the subdivision since 2006. Virginia Department of Transportation (VDOT) staff and various County staff have worked with Fontana Owners Association, Inc. (FOAI) since 2008 in an effort to evaluate and resolve speeding issues in the subdivision, and have recently established a list of actions to pursue, including requesting that VDOT install signs on Fontana Drive (Route 1765), Verona Drive (Route 1771) and Olympia Drive (Route 1770) alerting motorists that there will be a fine of up to \$200 for exceeding the established speed limit pursuant to Virginia Code § 46.2-878.2.

Virginia Code § 46.2-878.2 (see Attachment A) provides that "Operation of any motor vehicle in excess of a maximum speed limit established for a highway in a residence district of a county, city, or town, when indicated by appropriately placed signs displaying the maximum speed limit and the penalty for violations, shall be unlawful and constitute a traffic infraction punishable by a fine of \$200, in addition to other penalties provided by law."

It is the Commonwealth Transportation Board's policy (Attachment A) that VDOT, upon a formal request from the local governing body, will install signs on local residential streets, collector streets, and minor arterial streets with a posted speed limit of 35 miles per hour or lower advising motorists of a maximum punishment of \$200, in addition to other penalties provided by law, for exceeding the speed limit in certain residence districts.

The history of traffic issues and pedestrian conflicts in Fontana dates back to July 2006. The roads were designed and built as "rural" sections, with shoulders and ditches, and no curbs, gutters, or sidewalks. The roads have a speed limit of 25 m.p.h. and were intended to be "shared space" with bicycles and pedestrians. Staff from VDOT and the Albemarle County Police Department (PD) and Planning Department worked with FOAI between 2008 and 2011, and the PD conducted speed studies in 2009 and 2010. The results indicated speeds exceeding the 25 m.p.h. speed limit and 85th percentile speeds of at least 30 m.p.h., but average speeds did not exceed the VDOT threshold of 30 m.p.h. (5 m.p.h. over the speed limit) required to be eligible for traffic calming. In 2013 staff from VDOT, the County's PD and Office of Facilities Development (OFD) became re-involved and have been working with FOAI. Speed studies were conducted by the PD in July 2013 and by VDOT in November 2013 to evaluate whether the roads would qualify for VDOT's "traffic calming" and/or "residential cut-through traffic" measures. The studies indicated speeds exceeding the 25 m.p.h. speed limit and 85th percentile speeds of at least 30 m.p.h., but based on VDOT's criteria, only Fontana Drive was eligible for traffic calming.

At the conclusion of a February 2014 FOAI meeting, VDOT, PD and OFD staff acknowledged that the traffic issues experienced by the Fontana Subdivision residents are a result of a combination of vehicle speeds and the lack of pedestrian facilities along the neighborhood streets, and agreed to pursue the following solutions:

1. Resident Administrator of VDOT will work with VDOT Traffic Engineering Division to find traffic control options that VDOT can implement to address the issue of pedestrian safety.
2. OFD staff will coordinate a request to VDOT to install signs alerting motorists that exceeding the speed limit constitutes a traffic infraction punishable by a fine of \$200 on Fontana Drive, Verona Drive and Olympia Drive.

3. OFD staff will coordinate the development and implementation of a traffic calming plan for Fontana Drive.
4. OFD staff will coordinate a request to VDOT to allow a through-truck restriction on Verona Drive and Olympia Drive.

The VDOT Resident Administrator and Traffic Engineering Division have now developed a Step 1 plan to provide traffic controls to address pedestrian safety. VDOT is currently formalizing the plan and will provide a copy to the Board and to County staff upon completion. VDOT advised that some of the other options may also be pursued by the County concurrently, but care must be taken to not implement so much that staff cannot determine whether any measures are ineffective and should be removed.

County staff concurs with FOAI's request to install signs establishing an additional fine of \$200 for exceeding the established speed limit on Fontana Drive, Verona Drive and Olympia Drive as shown on the attached map (Attachment B).

To qualify for sign installation, a highway must meet the following criteria:

1. Meet the definition of local residential, collector, or minor arterial street as defined by VDOT (see Attachment A); and
2. Have a posted speed limit of 35 miles per hour or lower.

Staff believes that the above criteria have been met. To initiate this procedure, the County must request, by Resolution of the Board, that VDOT install the appropriate signs as required by Virginia Code § 46.2-878. The Resolution (Attachment C) and the following supporting data would then be submitted to VDOT:

1. Identification of the neighborhood and specific highway(s) where the signs are requested to be installed;
2. Confirmation that the highway(s) meet the definitions of local residential, collector, or minor arterial streets as defined by VDOT; and
3. Notification that a speeding problem exists and that the increased penalty has community support.

The requested signs would be installed within 60 days of VDOT's approval.

VDOT will pay for providing and installing the signs. The PD will be responsible for enforcement, and PD staff estimates that this will have no impact on PD's staffing or budget.

Staff recommends that the Board adopt the attached Resolution (Attachment C) requesting that VDOT install signs to establish an additional maximum \$200 fine for exceeding the established speed limit on Fontana Drive, Verona Drive and Olympia Drive pursuant to Virginia Code § 46.2-878.

(Discussion: Mr. Sheffield asked if there were any other places where the County was doing the \$200 fine signs.

Mr. Boyd said Morgantown Road was one location.

Mr. Sheffield said he fully understood and indicated that there is definitely a problem. He said there are other areas, especially in his district, with the same problem and thought it would be helpful to identify those and have signage.

Mr. Davis said, as set forth in the executive summary, there are some criteria which must be met. Another issue, which has been encountered in the past, is that some neighborhoods do not particularly like it because they may be the ones that get caught. He added the process requires that these be done on a case by case basis.)

Item No. 3.2. B2014-00455TWR – Verizon Wireless “Owensville Road 2/Correll Property Zoning Ordinance Waiver.

The executive summary stated that this is a request to add antenna to an existing 150 foot tall power tower located on a 22 acre parcel located south of Tillman Road on tax map 58-65A. Dominion Power has a high tension power line easement on this parcel and has agreed to allow Verizon Wireless to locate an antenna array containing 4 panel antennas on the structure. The antennas will meet all the requirements of the zoning ordinance, with the exception of flush mounted. The applicant is requesting a special exception to allow the antennas to project more than 12 feet from the structure.

This is an existing power tower which will consolidate antennas from another facility onto this tower. This request would normally require only a building permit; however it does not meet ordinance standards. The ordinance requirements state that "...in no case shall any point of the face of an antenna project more than twelve (12) inches from a facility." The Applicant states that due to the nature of this tower and to meet Dominion Power's safety requirements, the antenna will not meet the ordinance requirements and have requested a modification to this section. The Applicant has submitted an

application plan which depicts the proposed antennas which will be at a maximum 7.5 feet from the pole (Attachment A).

Staff has reviewed the request and does not believe that the proposed antenna will provide for any additional negative visual impact to the existing power tower and is recommending approval of this modification.

Staff recommends approval of the special exception to modify the requirements of Section 5.1.40(c)(3)(ii).

(Discussion: Ms. Palmer stated that she would like to discuss this item, which is a cell tower application that uses existing lines, and asked if the County was setting any precedent by doing the cell tower. Mr. Davis said this is a fairly standard approval option in the County and there are other examples of this as using “opportunity sites,” and is not a legal or planning concern.

Ms. Mallek said this is part of the exception process. Mr. Davis said that was correct, adding that the applicant just needs a waiver on one element. He stated that this would be part of the discussion regarding visual impacts, which is the next phase of the wireless policy as mentioned by Mr. Fritz at the last Board meeting.)

By the above-recorded vote, the Board approved the special exception to modify the requirements of Section 5.1.40(c)(3)(ii).

Item No. 3.3. Cancel April 9, 2014 regular meeting because there are no items on that agenda.

By the above-recorded vote, the Board canceled the April 9, 2014 regular Board meeting.

Item No. 3.4. Resolution of Endorsement – Transportation Investment Generating Economic Recovery (TIGER) Grant for Development of a Regional Bike and Pedestrian Master Plan.

The following memorandum was received from the MPO staff:

“Purpose: To inform the Albemarle County Board of Supervisors that the MPO is pursuing a federal Transportation Investment Generating Economic Recovery (TIGER) Grant to develop a regional bike and pedestrian plan update for the Charlottesville-Albemarle MPO area of the Thomas Jefferson Planning District Commission region.

Background: The most recent, regionally-focused bicycle and pedestrian master plan, titled the Jefferson Area Greenways Plan, was completed in 2004. The goals of this plan focused on developing a safe and connected bicycle and pedestrian network for the region. Since the completion of this master plan, bicycle and pedestrian planning has proliferated in the region. While the need and desire for more bicycle and pedestrian improvements has become a key part of this planning, it has not resulted in tremendous implementation of desired facilities. The next step in the development of bicycle and pedestrian projects is to make a case that these improvements would contribute to the greater goals of a robust transportation system.

Summary: MPO staff is proposing an update to this regional bike and pedestrian master plan. This update would focus on two tasks.

Task 1: The MPO would consolidate all information regarding the existing bike and pedestrian facilities and proposed bike and pedestrian improvements that were considered in the 2004 Jefferson Area Greenways Plan, and have been considered as part of subsequent plans, including the area specific master plans, and the City of Charlottesville’s upcoming Bike and Pedestrian Master Plan. This information would be consolidated and stored in a spatial database. This would allow the information to be mapped, analyzed and shared with staff and the public.

Task 2: The MPO would assess the proposed bike and pedestrian projects that have been consolidated to determine which of these connections or routes provide access to economic centers (e.g. places to shop) or employment centers (e.g. places to work). The MPO would review connections between the economic areas and communities that are low to mid income and have a low level of auto or public transportation availability. This component of the grant would only be implemented for the City of Charlottesville and the development area of Albemarle County that immediately surrounds the City.

Included with this summary memo is a draft resolution of endorsement. The MPO would like the Albemarle County Board of Supervisors to endorse the MPO’s pursuit of this grant funding. MPO staff would like to note that both the MPO Policy Board and the Thomas Jefferson Planning District Commission have already signed similar resolutions. Furthermore, while the MPO will be working with the County to gather information for this grant project, the MPO is not requesting any funding from Albemarle County in pursuit of this grant.”

At the request of the Charlottesville-Albemarle Metropolitan Planning Organization and the Thomas Jefferson Planning District Commission, and by the above-recorded vote, the Board adopted the following resolution:

Resolution of Endorsement

Transportation Investment Generating Economic Recovery (TIGER) Grant for
Development of a Regional Bike and Pedestrian Master Plan

Whereas, the Charlottesville-Albemarle Metropolitan Planning Organization (MPO), housed and staffed by the Thomas Jefferson Planning District Commission (TJPDC), is pursuing a federal Transportation Investment Generating Economic Recovery (TIGER) Grant to update the urban area portion of the TJPDC's regional bike and pedestrian plan, titled the Jefferson Area Greenways Plan, approved in 2004; and

Whereas, the Charlottesville-Albemarle MPO will use these grant resources to consolidate all proposed bike and pedestrian projects that have been included in previously approved community plans; and

Whereas, the Charlottesville-Albemarle MPO will use these grant resources specifically to accomplish the following:

1. develop a central regional database of proposed bike and pedestrian improvements;
2. create a systematic, universal structure for selecting and detailing all proposed bike and pedestrian improvements;
3. assess which proposed bike and pedestrian connections or routes allow access between low-income and low-vehicle-availability residential areas and regional employment centers; and
4. assess which proposed bike and pedestrian connections and routes allow access between low-income and mid-income residential areas and regional economic centers; and

Whereas, the Charlottesville-Albemarle MPO is committed to the development and enhancement of a regional bicycle and pedestrian network;

Now, Therefore, Be It Resolved, that the Albemarle County Board of Supervisors encourages the staff from the Charlottesville-Albemarle MPO to pursue this TIGER Grant to update the urban area portion of the region's bike and pedestrian master plan.

Agenda Item No. 4. Budget Work Session: FY 2014/2015 Operating and Capital Budgets.

Ms. Lori Allshouse addressed the Board, stating that, on April 15, the Board must adopt the County tax rate as required by law according to their budget schedule and noting that staff would also like for the budget to be adopted. Ms. Allshouse said she would like the Board to get as far along in that process as possible at this meeting, adding that there were items which it had identified at the March budget work sessions as needing further discussion. She stated that, since that time, the Board has held many town hall meetings and another public hearing, and there may be other items which it would want to discuss as well.

Ms. Allshouse said the Board's concentration at this meeting would be on the General Fund budget, which includes transfers to the other budgets – capital and schools. She explained that the Board has a proposed budget, which is what was presented to the community at the public hearing the previous day, with an 80.8 cent tax rate. Ms. Allshouse said staff begins with a recommended budget that comes forth to the Board, the Board makes some adjustments, and it becomes what is called the proposed budget. She stated that the Board had identified a tax rate cap of 80.8 cents, which provided additional funding for the school division for a total of \$7.9 million or an increase of 7.6% over the current year. Ms. Allshouse noted that this still leaves a gap of \$2.5 million from the School Board's request.

Ms. Allshouse reported that, in its previous work sessions, the Board added two additional police officers at a cost of \$163,000; one Department of Social Services (DSS) foster care adoption family services specialist and another position in DSS; a natural resources intern at \$20,000; increased funding to \$53,000 to Charlottesville Area Transit (CAT); public defender salary supplement funding at \$74,000; and an increase in the reserve for contingencies from \$250,000 to \$320,000. Ms. Allshouse said Andy Bowman from the Office of Management and Budget (OMB) would work the spreadsheet during the discussion and noted that some of the pennies were dedicated and some were shared by formula. She stated that she thinks of the budget through the perspective of revenues and expenditures, and discussing the tax rate first would give the Board the framework of the expenditures and how to work within those – or an alternative approach would be to look at the expenditure side and see if there were any adjustments the Board would want to make, then come back to the tax rate, or do a little bit of both.

Board members agreed to start with expenditure items.

Ms. Allshouse stated that the items which have been identified are additional funding for the school division, adjustments in the CIP, and additional funding for the Crozet Library for increased hours and staffing, for Head Start through MACAA, the Journey Through Hallowed Ground request, the Municipal Band to bring it up to the current level, and the public defender's office. She asked if there were any other items the Board would like to add to the list, nothing that she did not have the existing items totaled in at this point.

Ms. Dittmar said they had already provided public defender funding.

Ms. Allshouse said that funding was in there as a placeholder in the event the Board wanted to add more funding.

Ms. Mallek noted that it is covered under the 80.8 cent tax rate, not the 78.3 cent rate.

Mr. Boyd said he would suggest an alternative to the first approach, as the Supervisors have all had town hall meetings and have talked with constituents, and the first thing the Board needs to decide is whether the rate as proposed would get voted in at 80.8 cents. He said he didn't support that rate when it was first proposed, nor does he support it now.

Mr. Sheffield stated that he would rather see where the discussions lead first.

Ms. Palmer said she didn't feel the Board could take a vote on the tax rate at this point.

Ms. Mallek said she was also happy to talk further, pointing out that adding up the five items Ms. Allshouse presented totaled \$127,000.

Ms. Allshouse stated that they could talk about anything the Board wished to discuss, adding that this is a very important work session to get everything on the table.

Ms. Allshouse reported that one of the items they had discussed in March was consideration of one-time use of current FY14 monies due to a tax rate change to 80.8 cents, which would affect both FY14 and FY15 years because it runs on a calendar year. Ms. Allshouse presented a chart regarding the General Fund fund balance, based on the County's audited FY13 year. Ms. Allshouse said the County is living in FY14 but that year isn't over yet so, for budgeting purposes, they start with the audited number from FY13. Ms. Allshouse noted that there will be a net change, and the year ends in June and the audit occurs so the Board will see an audited number to work with at that point.

Ms. Allshouse stated that the first number to work with is \$35.6 million, which is an audited June 30, 2013 fund balance. She explained that there is a reserve which is an unassigned 10% - that is 10% of both the school budget and the local government budget, minus the transfer between both of them, and that is held for cash flow and emergencies. Ms. Allshouse said \$28 million of that \$35.6 million is in the unassigned fund balance reserve and, in the current year of FY14, they have appropriated \$2.86 million of the fund balance - which the Board approves as individual appropriations. She stated that the next item is a revenue contingency, which was \$1 million for the previous year and is now \$500,000, and is used in case revenues come in less than anticipated.

Ms. Mallek asked how many years was the revenue contingency at \$1 million before it became \$500,000. Ms. Allshouse said it was \$500,000 million in FY12, then up to \$1 million in FY13, then back down to \$500,000; adding that, during the recession, the Board's reserve for contingencies increased, but it changes over the years.

Ms. Allshouse said the next item in the fund balance is anticipated transfer to the capital program, and currently programmed into the Board's budget is \$2.5 million designated. Ms. Allshouse said, for the FY15 anticipated budget, staff has included \$1 million for one-time uses, such as fuel reserve, grants leveraging funds, equipment for new police officers, the economic development reserve, etc. - and that will be before the Board for approval when it considers the FY15 budget.

Ms. Palmer stated that she thought there was additional funding already in the budget to equip the new police officers.

Mr. Foley said there is an operating expense held in the operating budget, but this is held in reserve to pay for one-time costs such as vehicles.

Ms. Allshouse noted that the fund balance was done prior to the 80.8-cent tax rate, and staff have made some adjustments.

Ms. Allshouse said, starting with the \$35.6 million as the total amount, minus the \$28 million unassigned of 10%, minus the uses of \$6.9 million, that leaves about \$636,000 in the audited fund balance account.

Ms. Allshouse said she then took the available FY13 amount of \$636,000 and moved it to the top line of FY14. She said the second line is the revenues over expenditures in the last financial report received in the current fiscal year, as prepared by the Finance Department in quarterly statements. Ms. Allshouse stated that, halfway through the year, staff has identified \$2 million that will accrue without any tax rate change - but it is unaudited, so it could change when the next quarterly report is prepared. She said, if the Board were to adopt the 80.8-cent tax rate, it could bring in an additional \$3.2 million into the

current fiscal year based on that tax rate – with each penny equating to \$770,000 for local government for a six-month period. Ms. Allshouse explained that the Board would also have to shore up the 10% again, because the budgets would be bigger based on the new tax rate, growth, etc. She said she is estimating \$1.5 million because they are adding in about \$1 million on top of the \$636,000, with some consideration for purchase orders which come through. Ms. Allshouse stated that there would then be a total of \$3.1 million available and, if the Board provided the \$1.4 million identified as “one-time money” by the School Board, that would leave about \$1.6 million – however, those are all unaudited numbers.

Ms. Palmer asked what is normally done with this money. Ms. Allshouse responded that it goes to capital, and this is essentially coming from revenues over expenditure savings.

Mr. Letteri said the \$2 million in excess revenue over expenditures is based on trending so far this year, which is actually cutting it very close because, out of a \$300+ million budget, they’re coming in within \$1 million on revenue, and \$1 million on expenditures. He emphasized that that’s a tall order and, while he believes the County would come in on the positive side of this, they need to be mindful of the fact there are still six months left.

Ms. Allshouse said, sometimes costs which occur in July really should go back to the prior year, so staff has to be cautious with this estimation. She added that, when the Board gets to the point of talking about the tax rate and to consider it further, Mr. Bowman can change the numbers around a bit more.

Ms. Mallek asked when should the Board have a philosophical discussion as to whether it would dip into the capital fund and use it for operating. Ms. Allshouse said she would be presenting information on the capital program, noting that the program is focused on mandates, maintenance of infrastructure, and projects that continue core services – and the current plan includes funding for ACE and transportation revenue sharing. She stated that the transfer to CIP by formula is \$20.2 million for FY15, an increase of \$1.2 million over what was done for FY14 and, because of the tax rate change, additional revenue, and how the formula works, it’s at the higher level – and the fund balance money of \$2.5 million is also coming in.

Ms. Mallek asked for confirmation that it was based on the 80.0-cent tax rate. Ms. Allshouse confirmed that it was. She said, at the recommended budget tax rate level, it would cause them to have a two-cent tax rate increase in FY16 dedicated to capital for the capital program, and staff feels they would still need three pennies increase over the five years of the plan but they might be able to delay that implementation. Ms. Allshouse stated that, even with the additional funding, the Board still has about 40% of its CIP requests unfunded, even over the full five years, which is what the \$121 million in requests covered.

Ms. Palmer asked how much the Board usually funds each year. Ms. Allshouse said it depends on whether or not the County is borrowing to fund and, for FY15, there were some borrowed monies plus the \$20 million.

Mr. Letteri stated that the capital fund needs to be a five-year plan because projects don’t come in regularly each year – they come in stages and at various times over a five-year period – and the idea of the fund is to make sure they don’t create any cliffs over the five years, with steady funding to support the overall program.

Ms. Palmer said she is trying to figure out if they are doing that appropriately, because when staff says “there’s 40% of the five-year plan not funded,” she’s trying to establish whether the County is behind.

Mr. Foley stated that the easiest way to look at that would be to consider what’s in the 40% unfunded and how critical it is. He said Mr. Henry could probably speak to how far down the list they’ve been able to fund and what’s still not being funded.

Mr. Letteri explained that, if the County is at a five-year volume of about \$150 million, they’re largely taking care of maintenance and mandated projects, but not much beyond that and, based on his experience, 40% seems high.

Mr. Davis said it depends on whether they’re talking about the recession years or the time prior to that and, the last few years, there were very few new projects funded – but before that, the five-year plan was intended to be funded in its entirety.

Mr. Boyd asked if, from 2000 to 2007, the County funded every project requested. Mr. Davis clarified that what that means is the projects deemed appropriate to be built within five years would be funded, and there is also a ten-year capital plan identified but those wouldn’t be counted in that unfunded 40%.

Mr. Foley added that, in good years, they were funding closer to 100%, but never the entire amount – and in the bad years, there were 50-60% of projects unfunded. He said that what’s important to note here is that the 40% unfunded represents everything beyond the basics so, for example, the parks aren’t getting taken care of, the investments in Community Development and infrastructure for master planned areas are not getting invested in. He stated that a lot of those things pertain to quality of life and the vision for the future, but the County still isn’t taking those steps. Mr. Foley said the exceptions this year have been inclusion of funding for ACE and for transportation revenue-sharing.

Mr. Sheffield asked if Mr. Foley would say there were “necessary” items that couldn’t be funded. Ms. Allshouse presented a list of highly ranked CIP projects, stating that the top item is accelerating the Pantops Fire Station by one year, but that is funded; next on the list are school projects – Henley Middle School media center, Crozet Elementary School addition/renovation, Stony Point Elementary School addition/renovation, Red Hill Elementary School modernization, and Yancey Elementary School.

Mr. Henry said they went through this process in March, and talked about the process including how the Technical Review Team ranked the projects. He said when Ms. Allshouse asked what projects would be next in line, they merely went down the list from the Board’s budget books – but there are many beyond that list.

Mr. Boyd said he thought the enrollments at Red Hill and Yancey were declining.

Mr. Foley said the Red Hill project is a modernization, which was a priority of the School Board, and Yancey’s project is an addition.

Mr. Henry said the Red Hill and Yancey projects were equally tied in ranking, so that’s a two-fold project – two separate CIP requests.

Mr. Foley pointed out that the County has invested very little in county parks for a while, although they’ve acquired some new properties for parks with the idea of investing in them at some point in the future.

Mr. Boyd said the Board decided to invest in libraries, emergency services such as Ivy and Seminole Trail, and they made decisions which required taxpayer dollars to accomplish those projects.

Mr. Foley said there’s no question that some good projects got done in some very difficult times, but 40% is probably a larger share than they want to have unfunded – and this is just a question of how far the Board wants to be able to go in funding projects.

Ms. Mallek noted that there were some painful lessons learned in previous years in delaying CIP projects, with the County not putting itself in a position to be able to borrow money when the interest rates were low and projects ending up costing more in the long run.

Mr. Foley mentioned that most localities have dipped into their maintenance funds and not kept up with their assets, but the County has been able to maintain a commitment in that area.

Ms. Allshouse reported that, at the 80.8-cent tax rate, the amount of tax rate increase in FY16 could be reduced from two cents to one cent tax rate increase and moved it along a bit.

Mr. Letteri said the County would still need the three cents over the five years.

Mr. Sheffield said he didn’t want to set that expectation if it can’t really be done.

Ms. Allshouse said, in looking at it through the financial modeling process, staff was able to move it a little bit and still keep the balances.

Mr. Foley said, based on the projection at 80.8 cents, staff believes it could be pushed off.

Ms. Allshouse stated that there is still a three-cent overall increase to make the CIP model balance over the five years, and could basically delay that a year.

Ms. McKeel said the courts projects were not reflected in that.

Mr. Henry noted that the courts project is in the FY15 recommended budget, with design starting presumably in July – but if decisions are made to change that, expenditures would adjust in the plan.

Mr. Foley said this CIP model does fund the courts project over the five years, and was funded at the lower tax rate as well as the 80.8-cent rate.

Mr. Letteri stated that, at the lower rate, they would need the two cents in FY16, as opposed to one cent in year one.

Ms. Allshouse noted that projected 2015 assessed values were built into the model as a 2.99% increase, based on staff’s predictions.

Ms. Allshouse said the third consideration is increasing one-time funding to the CIP, which could delay the need for future tax rate increases or could be used to fund additional projects.

Ms. Allshouse referenced the list of items mentioned by Board members for further consideration. She said she provided information via email regarding the Crozet Library’s request for increased hours and staffing – at a cost of an additional \$32,400.

Ms. Palmer asked what the public defender’s office adjustment would be. Mr. Letteri said the proposal for the public defender’s office was to look at a blended average difference between the City’s Commonwealth Attorney and the County’s and, on the basis of that, there was a 25% difference. He said

that office submitted a request which reflected an allocation of that cost based on caseload activity – with 51% of cases in the City, and 49% in the County, which would equate to \$74,000 for the County and about \$76,000 for the City. Mr. Letteri stated that the City had decided to use a different methodology, comparing their public defender's office with the City Commonwealth Attorney's office – which is paid less – making the City's calculation at \$44,000. He noted that, in general, those salaries are lower than the County's but, going forward, it is expected that the County would share in that ratio of supporting those salaries.

Mr. Boyd asked what it would extrapolate to, using the County's figures. Mr. Letteri said it would be \$41,000 using the City's methodology, and the dilemma going forward is that, if the County funds more than the City does under the ratios, then the County is setting that precedent going forward.

Mr. Foley said the County would end up paying a great deal more than the City.

Ms. Palmer said, using the City's funding model would allow the County to have enough to fund the Crozet Library hours. Mr. Letteri clarified that the City did not use the model proposed by the public defender's office, they used its Commonwealth Attorney's office.

Mr. Davis explained that the public defender had suggested basing the dollar amount on caseload, but that's not how the City is proposing to fund it at this point.

Ms. Dittmar said she would like to know from staff which model they are recommending.

Mr. Letteri said, in general, the question is about the extent of subsidy and how that difference in salaries is calculated. He stated that one approach is to use a blended rate, which the public defender's office did, or a separate calculation based on comparisons to each Commonwealth Attorney's office.

Mr. Foley said it seemed to him that the City and County should get together and agree on the same methodology.

Ms. McKeel agreed, stating that they should at least start out that way.

Mr. Davis stated that, if the County reduced its supplement down to the 49% equivalent of what the City has, the public defender would be paid equal to the City's Commonwealth Attorney's office – but, if the City had funded it as the public defender's office had requested, they would have been paid somewhere between the Commonwealth Attorneys' offices of the City and County.

Mr. Foley said staff is not necessarily recommending that but, if there is a joint office, then somehow the City and County need to get together on it.

Mr. Hingeley addressed the Board, stating that he had sent an email earlier in the afternoon to the Board and explained that his original request was a "blended average request." He said the formula took the salaries of the City and County prosecutors and blended them together, compared them to the public defender's salaries and came up with a recommended amount for achieving pay equity. He said the model has always been based on an apportionment of the supplement on the basis of case activity – which is the 51% City and 49% County – and what the County did in approving the \$74,000 was to take the blended average, and then take a 49% share of that based on case activity. Mr. Hingeley said the City used a different methodology, which was to compare the public defender's salaries to the City Commonwealth Attorney's salaries, rather than using the blended average. He stated that, because the City Commonwealth Attorneys receive lower salaries than the County's, it resulted in an adjustment downward of their share – but they still calculated their share as 51%. Mr. Hingeley said the City compared it only to their own office and, given how averages work, the only way they could get back to the total necessary to achieve pay equity was for the other party in the average – which pays higher salaries – to pay more. He stated that, because the City paid less, the public defender doesn't want to come back to the Albemarle Board and ask them to pay more – so they are asking the Board to stay with a blended average. Mr. Hingeley said, if the County adopts the City's methodology and just compared to the County's Commonwealth Attorney's office, the cost would be \$100,000+ to achieve pay equity. He stated that the benefit with the blended average is a lower figure at \$74,000, and the bottom line is that the apportionment formula stays the same at 51%/49%.

Mr. Davis said, based on what Mr. Hingeley has said, the amount of the supplement the County would pay would be more than 49% because it would be much larger than what the City would pay. He stated that the third way to look at this is, define what the supplement is, and the County would pay 49% of it, with the City paying 51% of it. Mr. Davis said, if the City had funded it with what the public defender requested, the County would be on parity, but since the City chose not to, the County would fund more than 49% of the supplement.

Mr. Foley said the City's position would probably question why would they fund the supplement at the County's higher salaries.

Ms. Dittmar stated that the decision the Board needs to make is whether it would adopt the original suggestion of blending the salaries or just figure out a dollar amount, and she is more comfortable having a formula that makes sense. She said what Mr. Davis is saying is to take the two models and add them together, and then apply the 49/51%.

Mr. Davis said the basis of the formula proposed by Mr. Hingeley was that the City should pay 51% of the supplement, the County 49% - but that was based on a larger amount which they anticipated under their blended rate. He stated that the City has now decided that they're not going to use the blended rate so, if they continue to pay 51% of the total supplement, the County must adjust its contribution down – otherwise, they'll be paying more.

Ms. Palmer stated that, given recent progress with the City in other areas, they should just sit down and discuss it.

Ms. Mallek suggested that staff should put a placeholder of some amount in for the time being.

Mr. Foley said it would take some time to do that, so \$74,000 would guarantee the County could pay at the higher rate.

Mr. Hingeley stated that \$74,000 is the amount they requested, even though that's less than what they would expect to get from the County if they were to adopt the City's methodology. He said basically the County would be paying 49% of the target figure, based on a blended average, and the City is paying less than that because they adopted a different methodology.

Mr. Foley said the Board would ultimately need to decide whether to leave \$74,000 in the final budget or not.

Ms. Allshouse said that amount is currently in the budget at the 80.8 tax rate.

Mr. Sheffield said he didn't see any reason to change the amount at this point.

Ms. Allshouse reported that the Municipal Band had requested \$12,000 for FY15, and the County provided \$8,000 in the current year – with no organization through the ABRT process getting more than what has been allotted in the current fiscal year. She explained that the FY15 budget has \$5,000 for the Municipal Band, down by \$3,000 from the current budget.

Ms. Palmer asked why the ABRT recommended the band not get what they received the previous year.

Mr. Doug Walker said the methodology used by OMB in reviewing arts and cultural agencies was to apply a tiered model in consideration of those requests and, in looking at the Festival of the Book and Film Festival, there was the issue of equity in looking at the \$8,000 request from the Municipal Band. He stated that, in looking at the tiers, the team felt it was more reasonable to apply a \$5,000 level or leave it at the same level as the current year.

Ms. Mallek said she is in favor of the \$8,000 amount, as the band provides lots of free music to the community, often at its own expense.

Ms. McKeel agreed that the \$3,000 amount should be reinstated.

Mr. Boyd said, if they do this, the Board would need to think about changing the rationale for how it makes decisions in the future.

Ms. McKeel stated that she didn't see how the Municipal Band could, in any way, compete with the organizations they're being compared against, like Festival of the Book.

Ms. Mallek said this is just a recommendation, and sometimes the Board goes against that.

Ms. Allshouse said those funds would have to be offset with monies from the other side, but the Board did have its reserve for contingencies.

Ms. McKeel said she doesn't think adding \$3,000 would be a huge hit to that.

Ms. Palmer said she's already said many times that she's in favor of it.

Mr. Sheffield stated that he stands by his assertion that it's not fair to make an individual decision on this one agency without looking at all of those on the list.

Ms. McKeel said she views the band in a different light than organizations like the library, MACAA, and the Journey Through Hallowed Ground.

Ms. Dittmar stated that she had asked the Piedmont Council of the Arts if they had planned to pursue tourism dollars, and the PCA told her that the process was heavily weighted on heads and beds and that kind of return on investment as criteria. She said those organizations were going to fall through the cracks that didn't meet the criteria, and felt the Board needed to discuss it further and wasn't prepared to weigh in on this at this point.

Mr. Sheffield stated that the Board is not arguing about this specific piece of funding, and acknowledged that the process itself is broken.

Ms. Mallek said, in this case, the Board needed to make a funding decision.

Ms. McKeel stated that the issue is that this group can't be compared to the other groups it is being compared to.

Mr. Foley asked if the methodology being used didn't fit well with the other items.

Mr. Sheffield asked if the Board would have an opportunity to look at the review process before the next budget process.

Board members agreed that was the case. Mr. Foley said staff has gotten that indication.

Ms. Dittmar said she thought the Board had adopted a protocol of having outside groups with criteria look at this in an effort to depoliticize decisions.

Ms. Allshouse said the Journey Through Hallowed Ground was the next item for consideration, with a request from that organization of \$11,782 but \$0 in the current budget for their request.

Mr. Boyd asked if there was any other group being funded by both the Convention and Visitors Bureau and the County. Ms. Allshouse said Festival of the Book and Virginia Film Festival were both being funded that way.

Mr. Boyd asked why those were done that way. Ms. Mallek explained that the CACVB funds the marketing only, and other operational support comes from the County.

Mr. Boyd asked what values the County receives from that. Ms. Mallek said Journey Through Hallowed Ground brings many, many people to its sites, and Albemarle is the largest beneficiary because Monticello is located in the County.

Mr. Boyd asked if she had seen any statistics on that. Ms. Mallek said Journey's representative presented those figures to the Board when it was presented to the Board recently, and the international exposure they provide is "way beyond" what the CACVB reach is.

Ms. Palmer stated that Monticello seems to bring in lots of visitors on its own, and doesn't seem to need as much advertising.

Ms. Mallek said there are many partnerships which support that, and the Journey has created partnerships among the different Presidential houses through the region.

Ms. Dittmar asked what the Board should do about funding for Journey Through Hallowed Ground. Ms. Mallek said she would be happy to support it.

Mr. Sheffield said he stands by the same principle he did for funding the Municipal Band.

Ms. Allshouse reported that approximately \$4,949 would fully fund the Head Start program, and the recommendation was for less.

Ms. Palmer said MACAA had some issues with the ABRT, so they went back and complained to the review team but the recommendations remained in place.

Ms. Allshouse explained that the ABRT recommended a 25% decrease in both County and City funding for Head Start based on ABRT's review, rating principles and guidelines, and staff recommended a 10% decrease for the program – which was more than what ABRT recommended.

Ms. Allshouse reported that the Board's list for further discussion also includes a request from the regional library to increase staffing to evening hours at the Crozet Library due to additional circulation.

Ms. Mallek said she would support this, and will support the same addition to the Northside hours when it comes around next year.

Ms. Palmer said she would also support it, although she isn't sure where they are getting the money.

Mr. Foley stated that the current tax rate advertised wouldn't support these things, but they could move money from the reserve for contingencies.

Ms. Dittmar said, philosophically, the Board is talking about adding library hours for citizens to be able to continue their learning, especially those who don't have internet, and she considers that a priority item for funding.

Ms. Allshouse asked if there were any additional items the Board wanted to add for discussion.

Ms. Palmer said she wanted to mention the voter registration office and the rehabilitation of that office before the election.

Mr. Henry said the request was not approved through the CIP process, it totaled about \$150,000-\$170,000, and none of the renovation requests were approved. He said, since that issue was raised, his office and General Services have met with the electoral board and have done a walk-through of the

space. Mr. Henry said staff did a little bit of in-house design and tightened up the construction estimates, and will bring that information back to the Board as an appropriation in the near term in order to get the work started in the summer with the plan to get the space ready for fall.

Mr. Foley said staff is developing a solution which they think is going to be fine and it may not be the full scope of the original request, but it will accomplish their goals.

Mr. Henry stated that it was a bit over-scoped to begin with.

Ms. Palmer said one of the issues involved voter IDs.

Mr. Henry said it would be addressed through this process, and it would be a CIP fund balance item for this year – in his estimation, significantly less than \$170,000.

Ms. Allshouse stated that she had no other discussion and would move forward with the tax rate.

Ms. Dittmar asked about the school discussion. Ms. Allshouse said the tax rate discussion might give the Board some insight into the funding for the schools.

Ms. McKeel said her understanding was there were questions from the Board about the schools, and there were people present who could answer those questions.

Ms. Palmer said she didn't have questions for them, but had sent an email out to the School Board in hopes of getting information. She explained that she distributed a document developed by citizens who had done some research into the budget and had some concerns. Ms. Palmer said the group suggested looking at principal and assistant principal staffing – specifically requesting the School Board review the “criteria, rationale, justification for exceeding state mandates, particularly in very small schools, and especially for two paid interns when ACHS already exceeds state staffing mandates for assistant principals.” She stated that the group had suggested that lack of doing so should be subject to funding elimination.

Mr. Sheffield suggested taking a break prior to engaging in this discussion.

(Note: The Board recessed their meeting at 7:36 p.m., and reconvened at 7:47 p.m.)

Mr. Matt Haas addressed the Board, stating that he had attended several town hall meetings held by Mr. Sheffield, and it's unprecedented to have Supervisors out and about so much, seeking two-way communications with constituents. Mr. Haas reported that the “standards of quality” are a minimum standard in Virginia, a state-derived formula to adequately fund education, and there isn't a single school system in the state that funds to the minimum. He said he would find it hard to fathom how the schools in Albemarle would function just to those minimums. He stated that, last year, in a review done with the Department of Instruction of the growth in the Western feeder pattern, Brownsville and Henley, the determination was that they needed to provide more administrative staffing at the schools. Based on that, he said they looked at adding an assistant principal to Brownsville, which would pull down the ratio to 200+ students per administrator, and there were also considerations around P.E. staffing, art, music, teacher's assistants, etc. Mr. Haas said those schools are growing and, for some time now, there have been additional supervision needs, changes in requirements around SOL testing, administrative tasks, and other demands. He stated that Albemarle County Schools feel that administrators are at the schools to support teachers and students, and they feel that they should push it out into the schools rather than have them in an administrative building. Mr. Haas said, strategically, they are trying to do some succession planning because it is becoming increasingly difficult to recruit outside the school system to find qualified administrators that do the kind of work they do in Albemarle County. He stated that anytime they can promote from within and identify talent within the schools, they want to encourage personnel to compete for administrative roles. Mr. Haas said they have made internship positions 11-month jobs and, with each one, they have a two-year maximum tenure during which they are evaluated and obtain licensure. He stated that, at the end of that two-year period, they have to compete for an administrative job or go back into a teaching role. Mr. Haas said the total salary for each position is just over \$60,000, plus benefits.

Mr. Haas stated that the eight elementary assistant school principals are at Brownsville, Cale, Baker-Butler, Greer, Agnor-Hurt, Hollymead, Meriwether Lewis, and Stone Robinson. He said, when schools reach 300 students, they have a full-time principal and, for assistant principals, they would get a half-time person once they reached 400 based on a two-year average. Mr. Haas said, in terms of exact numbers of requirement for the SOQ, he didn't want to state that without someone from the Department of Instruction, but they have 26 – and that matches the number of technology support, math coaches, and reading coaches already at schools. He stated that the instructional coaching model embraces those so, one way or another, they're required to fund those positions through the standards of quality.

Ms. Mallek said there used to be intervention specialists in the schools, but now they travel around talking to teachers, and this is a very different model that Albemarle County Schools chose to do.

Mr. Haas said the role of the intervention specialist was to work with teachers but, over time, those roles got subsumed into the schools and, instead of working with the whole school, they were getting assigned as pull-out reading teachers. He stated that, after the efficiency study done in 2006-07, one of the recommendations was to make big cuts in the central office staff and, at one point, there were numerous coordinators – and three people that made up his position. Mr. Haas said, with the cuts

implemented, the coordinators were eliminated or applied for coaching positions, and they brought in the intervention staffing – reading and math – and they've got a lot of background in coaching teachers to be better across the Board. He stated that they work with teachers across the system rather than being embedded in one school, so it's really the philosophy of what they're supposed to be doing. Mr. Haas said, at the Title schools, they will have reading specialists there and, if they need it, they also have data coaches and math specialists – so the needs are still met. He stated that, in order to accommodate intervention specialists to work with individual students that have greater needs, they could have the class sizes go up a bit – and that's what the amended School Board budget contemplates. Mr. Haas explained that some schools have state-mandated school improvement planning, and they are required to keep some of those positions to meet the needs of the students. He said they do review results from schools each year, and they wouldn't make the decision to remove integral staff just because a school chooses to do so.

Ms. Palmer said another request of the citizen group was to provide analytics on the true cost of "lapse factor."

Mr. Dean Tistadt addressed the Board, stating that he is the Chief Operating Officer for the school system and explained that "lapse factor" is a budgetary tool to anticipate savings that occur as staff turns over and, typically, those are savings from vacant positions and also filling positions with personnel at lower salaries than those who leave. He said, historically, up until a few years ago, the school system had been saving \$1.5-2.5 million a year through lapse factor, but had been budgeting less than that so that they had a budgetary benefit which fed the fund balance for many years. In 2012, he said there was a budgeted savings of \$700,000 but the actual savings was \$2.9 million. He stated that, in the next year, they again budgeted \$700,000 but the actual savings was only \$600,000 – so there was a dramatic change in what was happening with turnover. Mr. Tistadt said, unfortunately that turnover wasn't recognized in time for current year budget development so, in an effort to balance this year's budget, they pushed the estimated savings in salary lapse to \$2.1 million, but the actual will only be \$900,000 – leaving a \$1.2 million gap. He stated that, for next year, they've only budgeted \$600,000 in salary lapse savings, in comparison to the \$2.1 million, which leaves \$1.5 million. Mr. Tistadt said the problem is they have no fund balances, and they are estimating just \$200,000 so, if they push the salary lapse and don't get it, there will be no margin of error.

Ms. Mallek said it seems like a savings going forward, and she can't quite understand how it can be set aside if it's not really there.

Mr. Tistadt explained that any salary lapse savings for one year is part of the projection methodology going forward to the next year.

Ms. Mallek said she understood not wanting to overestimate, since some of those people would leave. She stated that she would like some explanation on the fund balance difference, and the reason why it went from about \$1 million to \$3 million – and why it has evaporated.

Mr. Tistadt said, because they have been budgeting \$700,000 in lapse factor, and were achieving \$1.5-2 million, that money was falling into fund balance. So every year, he said, even though they spent the fund balance, they also fed it, and the net came out close to zero. He stated that, last year, because the lapse factor was extremely close, they didn't feed the fund balance; and that was the same year that the accumulated fund balance was drawn down by the Board of Supervisors.

Ms. Mallek said it wasn't drawn down below \$3 million, and her question has to do with where those funds went. Mr. Tistadt said the School Board's adopted budget this year called upon \$2.8 million of that to balance this year's budget.

Ms. Mallek stated that the \$3 million the Board left was over and above what they were planning to pull out this year. Mr. Tistadt said that \$3 million included the \$2.8 million schools needed for this year, which leaves only \$200,000.

Ms. Mallek said the Board would never have voted to leave schools that small of an amount.

Mr. Foley said the 2% that the Board agreed to did not leave them with only \$200,000, but he didn't have the exact numbers in front of them.

Mr. Boyd said what the Board did was took the use of fund balance off the top.

Mr. Foley and Ms. Mallek agreed that is what happened.

Ms. Palmer suggested that Mr. Tistadt and Ms. Allshouse get together to reconcile the information, to ensure that the Board has the right picture.

Mr. Foley agreed, stating that it's important to work on this as the media has reported it incorrectly several times. He said it is complicated, and County staff would work with school staff so they come forward with a unified understanding.

Ms. Palmer said the citizens group also made a recommendation about the "Community Education Fund," and she was somewhat lost as to what the question is.

Mr. Tistadt said the Community Education Fund is a self-sustaining fund which is fully supported by the revenues generated by the program, and there are no tax dollars used whatsoever.

Mr. Walker explained that program provides after-school care for parents' children, and it's "pay as you go."

Ms. Palmer asked about the "Open Doors" fund. Mr. Tistadt said that fund is run the same way, without a cost to the school system.

Ms. McKeel said the Open Doors staff person's salary is included within the self-sustaining fund.

Mr. Tistadt stated that those things are included in the budget to show both revenue and expenditure, for budgeting purposes.

Ms. Palmer said the citizens group had also requested that the schools confirm statistics with the Department of Education from the salary survey regarding levels of pay, and suggested contacting the Fairfax County superintendent's office to follow their model for administrative reductions.

Mr. Haas stated that Fairfax County has over 25,000 employees and, while the claim is that they were going to reduce their staff by 700 administrators, that also included 500 teaching positions and also classified staff. He said Fairfax is using the removal of assistant principals for one year as a pilot at the elementary level, adding that there is a lot of information in the citizens' group that is inaccurate. He said the citizen group also cherry-picked one year to make these comparisons, and it happened to be the year when all schools went to a 5% VRS increase. Mr. Haas said this group had four years to choose from, but they chose 2012-13, and used actual to budgeted salary comparisons, rather than actual to actual. He stated that, when looking at actual salary from 2012 to 2013, there is a 5% realized increase in pay for teachers, a 4.16% assistant principal increase, and a 5.41% increase for principals. Mr. Haas explained that the reason that's less than the 5.7% budgeted is because of lapse, with some senior staff retiring.

In summary, Mr. Haas said he wouldn't take that recommendation from the group seriously, as it is based on erroneous data – and comparing a system like Fairfax with 25,000 employees to a system like Albemarle with 2,200 employees is flawed. He stated that, in the two years prior to 2012-13, Albemarle actually realized pay reductions for teachers and administrators. Mr. Haas said the group also only looked at counties, but when one factors in cities and towns, Albemarle was ranked 17 out of 130 for teachers, 12 out of 126 for assistant principals, and 15 out of 130 for principals. He stated that the adopted joint-Board strategy was to be in that market, developed through a lot of community input, and chose to do 5%/5% in increases which helped Albemarle move up in the rankings.

Mr. Tistadt also stated that there was a comment made about the lack of annual audits, but that's not correct as the School Division gets audited annually along with County government.

Ms. Dittmar thanked school staff for being available to answer these questions, and suggested that their budget process allow public engagement at an earlier point in the process.

Ms. Mallek said there was a comment made at the end of the previous evening's meeting about when the public would get to weigh in on the anticipated changes in the school budget, so there is an expectation that this would happen after the allocation to the schools is clarified.

Mr. Tistadt said there are meetings scheduled, but not public hearings per se.

Ms. Mallek said, once the reality of the budget amount is realized, that would be the time to have citizens be able to weigh in.

Mr. Foley stated that, with the school issues, the main item that staff came back with was the analysis of use of one-time monies.

Ms. Allshouse said she didn't have anything to share on the school funding beyond what she had already presented and, if the Board would want to use one-time money for the schools, there are only a few sources – the FY14 fund balance or the CIP program. She stated that she started with FY13 and showed how the fund balance is derived based on the audited FY13 – and then did a preliminary FY14, starting with the number from FY13, adding in the unaudited number at the half-point in the year, factoring in the financial report balance at \$2 million, and adding in the \$3.2 million that could be realized at the 80.8-cent tax rate. Ms. Allshouse said each penny taken away would reduce the number by \$770,000 and, anytime budgets would go up would mean they would have to shore up the 10% unassigned fund balance – so \$1.3 million is the amount of money based on what the current budget sizes would be, with that amount needed at the 80.8-cent tax rate to keep the 10% level. She stated that these are the basic, preliminary unaudited numbers, but that's how staff sees it playing out.

Ms. Palmer said it seemed to be a decision she would make after finding out what the tax rate would be.

Ms. McKeel agreed.

Ms. Mallek said she felt the Board needed to decide the policy first and, until that happens, it can't define a tax rate.

Ms. Dittmar agreed with that approach.

Ms. Mallek stated that she thought they were leading up to the one-time use of current fund monies and fund balance for the schools, and that is the elemental question which needs to be discussed – whether the Board would be taking money out of capital and putting it into operations.

Ms. Palmer said the reason she thought the Board would discuss it the other way is because if it got the current advertised tax rate passed, the Board would want to put it in capital – but, if the Board ends up in a situation with a significantly lower tax rate and schools are considering laying off teachers, she won't be as comfortable.

Ms. McKeel stated that she thought the Board could establish the tax rate, and that would tell them what it had coming in as far as one-time monies in June – then the Board could make the decision to take a part of that extra money received in June which would normally go to the CIP and determine if it would go to the schools for one-time expenses.

Mr. Foley said it is possible for that to happen, and he would do the bottom line description of the information that Ms. Allshouse is reviewing. He explained that if the Board took out some obligations, it should have \$3.1 million and, if the Board gives schools \$1.4 million in one-time monies, it would have \$1.7 million left – which is about 0.7% of the General Fund, and that's all the Board would have left if revenues didn't come in as projected.

Mr. Boyd commented that the margin was very close to be budgeting.

Mr. Foley confirmed that it is close, but the Board also has \$500,000 in revenue contingencies although that isn't a huge amount either.

Ms. McKeel said that money would normally go into capital.

Mr. Davis said that would be true and, if it's still there when the audit is completed, it would go to capital.

Mr. Foley stated that, if the rate doesn't end up at 80.8, then the \$1.7 million would get cut in half, and that would leave 0.3% of budget as a buffer.

Ms. Dittmar asked the Board if it would like to use some of what it might have in capital for one-time money and one-time expenses for the school division.

Ms. Palmer said she had a hard time philosophically with it, and she was very concerned at what tax rate the Board would end up with.

Mr. Sheffield said he didn't have a problem with it as one-time money, but he didn't want it to be a continuous or repeating strategy.

Mr. Boyd stated that staff is basing it on six months of revenue expenses, and that's cutting it too close to plan on it for a budget next year. He said it was just too risky.

Ms. Dittmar asked if Board members wanted to set aside any time to reconsider this.

Ms. McKeel said she would like to reconsider it after the Board sets the tax rate, because then it would know how much money there is to work with.

Ms. Dittmar said she would hope the Board would set the tax rate early enough in its meeting to be able to reconsider it.

Ms. Allshouse asked the Board if it would like to continue this discussion tonight, or pick it up on April 15.

Mr. Davis said, on April 15, staff would have to have prepared for the Board a resolution to formally set the tax rates, and a budget resolution that included the necessary numbers for it to adopt a budget, if it chooses to adopt a budget that day. He said state law mandates that the County set its tax rate by April 15th if it has tax bills due in June, and that was critical for the financial stability of the County – so, the earlier the Board could make a decision on the tax rate, the better.

Ms. McKeel said the tax rate would determine how much the Board would give to the schools.

Board members indicated that they did have a few additional questions.

Mr. Sheffield said the lingering question in his mind is how much the Board would be giving to the schools, and whether that meant other things would be cut.

Ms. Mallek said, in the initial operating budget Mr. Foley presented, there were three police officers and one social services person – but not the second one, and she wasn't sure if the Region Ten psychiatric position had been funded.

Ms. Allshouse clarified that information in a newspaper article was referring to the "Safe Schools, Healthy Students" grant, which was about \$5 million – and there were two positions in the schools' current budget which would pay Region Ten for counselors.

Mr. Haas said it was a four-year grant and, this year, they are in a "no-cost extension," so they are able to use the remaining funding and did several reductions in expenditures in the grant to keep it going for this year. He stated that, up until the grant began, the schools have always had a partnership with Region Ten at the high school level in which the schools would provide some of the funding for a full-time student assistance program counselor. Mr. Haas said the psychologists that Ms. Mallek was referring to were students at UVA that were provided through Dewey Cornell's program, and they were trained by him to go out to the schools – but they're not part of it this year because they were part of the cuts and were seeing fewer students. He said, with the Region Ten grant, they expanded the student assistance program counselors to the middle schools, a total of four in the grant – three across three of the schools, and Henley and Sutherland sharing a half-position each. Mr. Haas said, going into this year, they reduced it to three, and what they put forth in the budget was to try to fund two of them, just to address the critical needs at the middle schools. He stated that he hoped the counselors could move from school to school each quarter, or for some duration, to address students' needs. Mr. Haas said they receive about 1,800 student referrals per year, ranging from issues of grief, anger, bullying, or other problems which aren't always recognized in the academic environment. He stated that the program also helps identify students who have anger issues, and these mental health professionals help give them the support they need. Mr. Haas stated that another item in this category was a shared cost with the City for a school safety director, with the County's portion costing \$69,000 for 70% of the director; and extending elementary school nurse's hours by a half hour.

Regarding the Municipal Band funding item, Ms. Dittmar said she couldn't make a decision on it because it changes the way the County currently operates in a policy and, while she might want to change the policy, she'd rather not do that midstream.

Ms. Dittmar stated that she didn't feel she was ready to set the tax rate, and felt that she needed to reflect on all of the information from staff plus the public comments.

Mr. Foley said the funding formula, which has been in place for about 25-30 years, has stipulated that, from one year to the next, as revenues grow, 60% will go to schools and 40% will stay with local government. He explained that this year, because the Board dedicated some pennies of the tax rate exclusively to the schools, that ended up being 64% going to schools and a lesser amount going to local government. Mr. Foley said that part is based on the growth from year to year, but if one looks at how much actually goes to schools in total, it's about 62% of revenue. He said there was a question as to whether a decision made one year to give additional money to the schools was ongoing, and the reality is it is ongoing because it adds to their base that is built upon the next year with the 60/40 formula. Mr. Foley noted that, if that money is provided to the schools for needs, those would be ongoing – unless the funding is being given specifically as one-time money.

Ms. McKeel said that's why you sort out one-time and recurring funds.

Ms. Mallek said the schools have come back often to make requests.

Mr. Boyd stated that he's been on the Board for 11 years, and the only time they've deviated from their policy was last year, when they took 0.4 cents and allocated it exclusively to the schools.

Mr. Foley said that was true, as a dedicated part of the tax rate. He stated that the 0.4 was a change in the tax rate that was totally dedicated to schools and, in past years, there's been more than 60% going to schools – but it was out of natural revenue growth, not a tax rate increase.

Mr. Davis stated that there were significant years which required the Board to deviate from the revenue split, such as the opening of Monticello High School and Baker-Butler Elementary.

Ms. Mallek asked if that changed the base.

Mr. Davis said that it did.

Mr. Foley said the base changes every year, as they still must fund those operations.

Mr. Davis confirmed that it was operating.

Mr. Boyd said the 60/40 split is on new revenues.

Ms. Mallek stated that, in reality, they haven't reneged on that 60/40 split at all, and have funded capital over and above that, with additional funding of \$1.5 million allocated to buses.

Ms. McKeel said Ms. Mallek was correct but, as the County has become more urbanized, capital needs have been pulled over to local government projects and the share for the schools has been smaller.

Mr. Foley said the commitment to schools hasn't been any less; it's just that there have been other needs which have changed the percentage.

Ms. Dittmar stated that she was getting hung up on the 'dedicated' part of the tax rate, and asked if the Board had meant to set a precedent.

Mr. Boyd said it was a proposal from Mr. Snow to cover the schools' gap.

Ms. Mallek noted that it was an attempt to get the Board's decision off of a 3-3 tie.

Ms. Palmer said her understanding is that, with the budget the Board has, there would be a way for the schools not to lay off teachers, but if the rate goes down another penny, the schools would get into the area of losing teachers.

Mr. Foley clarified that the growth in the base would be 2.8 cents because of the \$1.4 million that came under the normal formula which would also be there.

Ms. McKeel said the two big areas for the schools to look for cuts are teacher salaries and class sizes, because 84% of the school's budget is in personnel.

Mr. Foley said the state revenue picture is also still unknown.

Ms. McKeel stated that she wouldn't count too much on that.

Mr. Jackson Zimmerman addressed the Board, stating that the Governor's budget does include small additional money for school divisions, including a 2% salary increase effective April 1, 2015, which would result in about \$120,000 additional. He said there has also been some revision in sales tax in the budget, totaling \$150,000 if it were to pass as proposed.

Ms. McKeel said the 2% from the state doesn't mean that Albemarle County would get 2% for teacher salaries.

Mr. Davis said it would cover April-June 2015, and it would be for the standards of quality employees only.

Mr. Foley asked if the following year would have a full year's funding for it.

Mr. Zimmerman said, in the proposed budget, that is the anticipation.

Mr. Foley stated that it would be at least \$600,000 for a full year to help offset salary changes.

Mr. Davis said, in the two-year budget, that's what it would be, subject to amendment in the next budget cycle.

Mr. Foley stated that the Board has adopted a long-standing strategy of keeping salaries within their target market, and there has been a commitment by both boards to keep up with that – although they haven't always adopted the exact World at Work recommendations and have actually been more accurate than the predictions. He said the key has been that both boards adopted it, and that has kept salary increases the same with both schools and local governments.

Ms. Palmer said she would rather forego the raises than having staff lose their jobs.

Ms. Mallek said, several years ago when there were budget concerns and salaries were starting to slide, teachers called her and said they'd rather sacrifice their raises and keep personnel.

Mr. Boyd stated that he is in favor of keeping the commonality, but he wasn't necessarily supportive of funding salary increases.

Mr. Foley said these are all very tough choices, but the main thing to keep in mind is, if the entire workforce falls behind the market, then recruitment and retention issues become challenging in maintaining quality staff – and the reality of making up 4% is very difficult.

Mr. Davis said it's like the VRS strategy.

Ms. Dittmar and Mr. Foley said that was a good analogy.

Mr. Boyd asked what was proposed for state employees in the budget.

Mr. Davis said there was a bonus in one budget and a raise in the other budget, and most localities are in the 2-3% rate.

Ms. McKeel stated that every locality in the state is dealing with this challenge right now.

Mr. Foley said, if the Board gets to the point where it is talking about not funding the raises, he would like the opportunity to discuss with school staff about any possible solutions that wouldn't lay off teachers. He stated that he's not sure there's a solution there but, if they get to the point that they are having trouble recruiting and retaining people, that puts the County in a difficult place.

Ms. McKeel stated that she wasn't as familiar with local government recruitment, but she knows there were positions that the schools were having trouble recruiting for.

Mr. Boyd commented that, based on what was said earlier about the lapse factor, they're obviously not having the trouble they were having in prior years.

Mr. Foley said perhaps sitting down with schools and talking about some of those variables including the possibility of one-time money to bridge the gap and a guarantee that the growth in revenue in the next year would automatically shore up salaries.

Ms. McKeel said she has heard constituents say that the Board should have planned ahead better for the VRS increases, but localities didn't find that information out until December.

Ms. Dittmar stated that they are already aware now of what's coming next year though.

Ms. McKeel said the state is planning to make the transition final by 2018.

Mr. Foley said staff has already worked everything the state has issued into the five-year model, so it is planned for.

Ms. Dittmar asked if Board members were ready to get to a consensus on the tax rate.

Ms. Mallek asked if Mr. Foley's original budget included the 2% salary increase, plus the increase to both schools and local government.

Mr. Foley said it was included in his recommended budget and the schools did the same thing in their budget. He asked the Board if it had any questions for clarification.

Ms. Palmer said she would like to see what the budget would look like with the tax rate at different levels.

Mr. Foley stated that staff could do that by plugging in new values into a spreadsheet.

Ms. Dittmar said the problem would be identifying priorities.

Ms. Allshouse said staff can definitely change the rates as far as data, but the question staff would have is the dedicated shared piece and where that goes.

Ms. Palmer stated that her assumption would be that the reduction would be coming out of the school division dedicated revenue of 1.8 cents.

Mr. Sheffield said that was his proposal about an hour earlier in the meeting.

Ms. Palmer said she was trying to see if she had four votes to get staff to re-calculate the numbers at different rates.

Ms. Mallek said the different rates would be 78.8 cents and 79.3 cents, which represented a half-penny and a penny more than Mr. Foley's budget as compared to the 80.8 put out for advertising.

Mr. Foley said a simple way to calculate it is that a penny dropped removes a little more than \$1.5 million from the schools' budget.

Board members agreed that they would reconvene on April 15 with a tax rate starting point, and would inch down from that incrementally to reduce it if that's where the discussion led.

Ms. Allshouse confirmed that the tax rates for consideration were now 78.8 cents, 79.3 cents, 80.0 cents, and 80.8 cents.

Agenda Item No. 5. From the Board: Matters not Listed on the Agenda.

There were none.

Agenda Item No. 6. From the County Executive: Report on Matters not Listed on the Agenda.

There were none.

Agenda Item No. 7. Adjourn to April 10, 2014, 1:00 p.m., VA Center for Transportation Innovation and Research, 530 Edgemont Road, Charlottesville.

Ms. Dittmar mentioned that the following day would be the second panel meeting for VDOT and, if the Board adjourns to April 15, it restricts the number of Supervisors who would be there.

Mr. Davis noted that, if four Board members were going to attend, then it would be a meeting of the Board of Supervisors that it would adjourn to – and it is critical that if there are four present, the Board would need to adjourn the meeting to April 15. He said the other alternative would be noticing a special meeting of the Board for the purpose of adopting a budget and a tax rate.

Mr. Foley said the Board was good to adjourn to the VDOT meeting, and then it would need to adjourn that meeting to April 15.

At 9:13 p.m., Ms. McKeel **moved** to adjourn the Board meeting to April 10, 2014 at 1:00 p.m. at the Virginia Center for Transportation Innovation and Research in Charlottesville. Ms. Mallek **seconded** the motion. Roll was called and the motion passed by the following recorded vote:

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

NAYS: None.

Chairman

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