

A regular meeting of the Board of Supervisors of Albemarle County, Virginia, was held on Wednesday December 4, 2024, at 6:00 p.m. in Room 241, Second Floor, Albemarle County Office Building, 401 McIntire Road, Charlottesville, Virginia, 22902.

BOARD MEMBERS PRESENT: Mr. Jim H. Andrews, Mr. Ned Gallaway, Ms. Beatrice (Bea) J.S. LaPisto-Kirtley, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, and Mr. Mike O. D. Pruitt.

BOARD MEMBERS ABSENT: none.

COUNTY OFFICERS PRESENT: County Executive, Mr. Jeffrey B. Richardson; Interim County Attorney, Mr. Andy Herrick; Clerk, Ms. Claudette K. Borgersen; and Senior Deputy Clerk, Travis O. Morris.

SCHOOL BOARD MEMBERS PRESENT: Ms. Kate Acuff, Ms. Rebecca Berlin, Mr. Chuck Pace, Mr. Graham Paige, and Ms. Ellen Osborne.

SCHOOL BOARD MEMBERS ABSENT: Ms. Judy Le and Ms. Allison Spillman.

SCHOOL DIVISION OFFICERS PRESENT: School Superintendent, Mr. Matthew Haas; School Board Clerk, Ms. Christine Thompson; and Chief Financial Officer, Ms. Maya Kumazawa.

Agenda Item No. 1. Call to Order. The meeting was called to order at 1:01 p.m., by the Chair of the Albemarle County Board of Supervisors, Mr. Jim Andrews.

Mr. Andrews introduced the Albemarle County Police Department Officers present to provide their services at the meeting, Lieutenant Angela Jamerson and Police Officer Tayvaun Richardson.

At 1:01 p.m. the Albemarle County School Board was called to order by the Vice-Chair Ms. Kate Acuff. She confirmed the School Board had a quorum and announced the School Board members in attendance.

Agenda Item No. 2. Adoption of Work Session Agenda

Ms. LaPisto-Kirtley **moved** that the Board of Supervisors adopt the work session agenda. Ms. McKeel **seconded** the motion.

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

AYES: Mr. Andrews, Mr. Gallaway, Ms. LaPisto-Kirtley, Ms. Mallek, Ms. McKeel, and Mr. Pruitt.
NAYS: None.

Agenda Item No. 3. Joint Work Session w/ School Board: Five-Year Financial Plan Work Session.

Mr. Andy Bowman, Assistant Chief Financial Officer, said that he would be leading the staff portion of this presentation today with his counterpart, Maya Kumazawa. He said that one of the advantages of going first was that he always got to start and thank Ms. Kumazawa for all the partnership they had had in budgeting. He said that he really appreciated all of her strategic insights and good questions, especially in the last few years through the pandemic when they needed to be very nimble and respond to a lot. He said that he again thanked Ms. Kumazawa for that partnership.

Mr. Bowman said that he would like to frame his presentation around the County's Strategic Plan, specifically Goal 5, Education and Learning, which was the emphasis of today's topic. He said that he wanted to acknowledge that Goal 5 was not just education in the same way that the other goals were not education. He said that just as he had benefited from a strong partnership with Ms. Kumazawa and her team, there were many other partnerships in the organization where those partnerships extended.

Mr. Bowman said that he had listed a few examples of partnerships on the slide, but he wanted to note that listing every partnership would be too long and too small to read. He said that many of these partnerships were about the day-to-day, such as financial processing, IT support, and other areas where partnerships were strategic in nature and focused on improving services in the community. He said that the Board of Supervisors' goal of safety and well-being was reflected well in these partnerships, as seen in the collaborations with Bright Stars and Family Support Human Services programs in the upper left, public safety through joint training exercises, and recent school zone speed camera enforcement programs.

Mr. Bowman said that workforce stabilization and customer service was a goal of the Board of Supervisors, also a priority of the School Board, and this was evident in the joint planning underway for the Employee Health Clinic, set to open in 2025, as well as the joint management of the Health Fund and the program, and the new financial system replacement project, which would go live in April. He said that this project built on the successful implementations of Human Resources and Community Development systems in recent years.

Mr. Bowman said that in the upper right of the slide, they could see a significant overlap with quality of life initiatives, such as the Public Schools' participation in Project ENABLE, an Economic Development Strategic Plan update that would be undertaken. He said that many County Government staff participated in the ACPS's (Albemarle County Public School's) Career Pathways program annually, as well as the longstanding partnership with Parks and Recreation, which had been in place for decades.

Mr. Bowman said that while today's focus would be on the CIP (Capital Improvement Plan), he believed it was essential to acknowledge the depth and breadth of these partnerships that occurred on a daily basis. He said that for today's discussion, staff had prepared a few desired outcomes. He said that first, they aimed to gain an understanding of the School Board's five-year capital request, which had been developed over the past few months by the School Board and staff. He said that this was the third year in a row that they had had the opportunity for full Board engagement with the School Board's request.

Mr. Bowman said that the second outcome was to gain an understanding of where they were in the adopted CIP, where the revenues came from, how they were funded, and what would be on staff's mind as they approached the FY26 budget process and the FY26 to FY30 CIP. He said that this would be followed by a discussion of strategies and next steps. He said that they would walk through the agenda, where he would briefly recap the Board of Supervisors' discussion in November and introduce the CIP (CIP).

Mr. Bowman said that following his comments, Ms. Kumazawa would present the School Board's CIP request. He said that at that time it would be a good opportunity for the Board of Supervisors to ask questions and engage to better understand the request. He said that afterward, it may be a good time to take a break in the meeting. He said that they could then return, and he would discuss the overview of the CIP and the next steps from today, to be followed by the Board's discussion, which was the most important part of their meeting. He said that they would not have three hours of staff presentations, so this would give as much time as they could generate for Board discussion.

Mr. Bowman said that with that, he would like to look back at where they were before moving forward. On November 20, staff had presented a five-year financial plan to the Board of Supervisors, which was part of their regular budget process. He said that the plan focused on the general fund, anticipating that formula amounts for Public School operations and capital would be provided. He said that the purpose of the plan was to project revenues, expenditures, and align them with their Strategic Plan, identifying potential long-term adjustments.

Mr. Bowman said that a few key takeaways from the revenue side included a quote from their October economic output report, which stated that the revenue outlook was partly sunny and partly cloudy. He said that while there was no imminent threat of a recession, based on current knowledge, it had been more uncertain in the past. He said that they were not expecting the historically strong revenue growth of recent years. He said that instead, they anticipated a more low-and-steady growth rate.

Mr. Bowman said currently, in FY25, their revenues were tracking closely with their budget, and they had updated their revenue projections twice in the past three years to reflect changes in the economy. He said that they were not anticipating any issues due to things running as expected. He said that the second update was that they had worked with the Board's Strategic Plan to review the six goals and 23 objectives, and how they were making progress across all of those to continue moving forward, and ensuring that the new resources they had allocated were being utilized effectively to drive results in line with the Strategic Plan.

Mr. Bowman said that the third major takeaway from their five-year plan, and it was common for them to have a five-year plan in their operating budget, and their intent was not to balance it in the short term. He said that rather, their goal was to look ahead and consider how they could make adjustments to balance that in the out years. He said that five years ago, they had a five-year plan, and FY25 was not balanced. He said that they now had a balanced budget, and part of this was to start exploring strategic discussions, taking advantage of the time and planning that could help them work towards achieving that balance.

Mr. Bowman said that the final takeaway staff had from that plan was that there were always prior commitments and obligations that they needed to consider, such as grants that expired or other commitments that they had made. He said that in the next two years, fiscal years one and two, these commitments would be much greater than they had been in recent years. He said that this was true for County Government and Public Schools as well, as the two new schools that would soon be under construction would have significant operating impacts once they opened that would be more substantial than the impacts from previous expansions, which were anticipated to open in FY27.

Mr. Bowman said that the final slide, the five-year plan, which they had shared in the budget a lot, highlighted the importance of a multi-year look at their operations, as well as the concept of multi-year planning for capital projects, which was a concept that both Boards were familiar with. He said that both Boards had agreed with the strategic approach when the budget was adopted in FY24, and this was reflected in the box in the bottom left corner. They decided to allocate \$4.9 million of revenue to the capital project at one time to finance strategic projects.

Mr. Bowman said funding would be available to support ongoing obligations starting in FY25. He said that in FY26, they could anticipate several upcoming obligations, which were outlined on this slide. He said that he would not delve into the details. Instead, he would like to introduce the CIP, because both terminology and timing mattered. He said that he wanted to set the stage to make sure they were all

speaking the same language. He said that when referring to the CIP, they often discussed either the five-year plan or the budget, which was present.

Mr. Bowman said the capital budget was the budget that was appropriated and was the first budget that was adopted by the Board of Supervisors in May and included any prior projects that were appropriated and continuing to move forward. He said that these projects could take more than one year to implement, and some of these projects would be discussed later. He said that the capital budget was not just the money approved this year, but also the ongoing staff effort to implement and complete these projects. He said that next, when they discussed the CIP, they would focus on years 2 through 5, which would serve as a starting point for the next update for FY26 to 30.

Mr. Bowman said that in recent years, it had been common practice to work with staff to maintain the budget for projects included in the CIP, ensuring that they could be completed without significant changes or discussion each year. He said that there was flexibility, the Board always had the ability to make adjustments. He said that this was staff's starting point for amending the CIP.

Mr. Bowman said that to reiterate, the multi-year impacts of the general fund and School fund were significant, particularly as facilities came online. He said that while they would need to operate them, it was also important to plan for the debt service required to fund the projects outlined in the CIP. He said that he would delve into this topic in more detail later, but for now, he wanted to establish some common terminology. He said that Ms. Kumazawa would be joining them, and she would discuss the CIP request for Albemarle County Public Schools.

Ms. Maya Kumazawa, Director of Budget and Planning for ACPS, said that she would like to begin by providing an overview of their CIP request and justification for the projects before them. She said that as always, she would start by explaining how this topic aligned with their Strategic Plan. She said that their Strategic Plan had three overarching goals, and today she would focus on equitable and transformative resources.

Ms. Kumazawa said that she would start by presenting an enrollment update for the current school year. She said that the blue line on the graph represented the actual enrollment of their K-12 students, while the dotted green line was the projection made each year in the fall. She said that as they could see, there was a significant gap during the pandemic, but over time, they had become more accurate in their predictions. She said that this year, they had under projected their students, with a projected enrollment of 13,624, and the actual enrollment being 133 more than their projection.

Ms. Kumazawa said that comparing the actual number of students enrolled last fall to this fall, they had seen an increase of 298 K-12 students. She said that for the long term, they conducted a ten-year enrollment projection, based on historical regression trends that incorporated factors such as students moving into, out of, or within the County, including relocating schools, moving to private school alternatives, or homeschooling.

Ms. Kumazawa said that the orange line with dots represented their ACPS 10-year enrollment projection, which they verified through multiple sources to ensure accuracy and make informed assumptions. She said that they aligned very closely with one of the three scenarios provided by Weldon Cooper, and they had a new resource this year called predictive enrollment analytics, a product of PowerSchool, which incorporated data from development pipeline projects into their projections. She said that this specific analysis employed a different methodology and was included as a reference point.

Ms. Kumazawa said that their peak enrollment was in 2019 before the pandemic, with 14,032 students. She said that they anticipated growing by 3.5% or 482 students in the next five years, a fairly moderate growth rate, and over the next 10 years the growth was anticipated to be approximately 7.8% or over 1,000 students.

Ms. Kumazawa said that next was a snapshot of their elementary school boundaries. She said that due to the complexity, they were unable to overlay the middle and high school boundaries, but they could see the red boundaries, which indicated the developments in the County's development pipeline. She said that much of it is concentrated along the 29 North Corridor, in Baker-Butler and Hollymead boundaries, as well as some in the Agnor-Hurt and western feeder patterns around Crozet and Brownsville, and the southern feeder pattern at Mountain View.

Ms. Kumazawa said that the table on the right lists some of the largest developments with the highest student yields. She said that these include North Fork and North Point in the Baker-Butler boundary and Hollymead and Brookhill in the Hollymead Elementary School boundary. She said that the next displayed table shows the number of dwelling units by boundaries, including elementary, middle, and high. She said that there is significant variation within the dwelling unit types, which can affect the number of students who might yield.

Ms. Kumazawa said that she had highlighted the areas with the highest anticipated impacts based on housing unit types in yellow, including Baker-Butler and Hollymead, which feed into Lakeside and Albemarle, as well as Agnor and the southern feeder pattern at Mountain View and in the Western feeder pattern, Brownsville. She said that they anticipated approximately 11,000 new units coming online, based on information from the Community Development Department, which could result in several thousand new students over the long horizon.

Ms. Kumazawa said that they next determined how this data impacted the requested CIP

projects. She said that many of the schools she mentioned were listed here, as well as the 10-year maximum capacity conflict. She said that over the next 10 years, they needed to determine the peak enrollment number and then calculate the percentage of current capacity at each school, which was around or above 100% for most of these schools. She said that the next column showed the same information regarding the number of dwelling units in the development pipeline, followed by the CIP projects that were either currently underway or were being requested to address these capacity concerns that they currently had or were anticipating over the next 10 years.

Ms. Kumazawa said that another way to look at their capacity projects was through the provided timeline. She said that they currently had three projects underway: the Albemarle High School second floor connector wing, High School Center 2, and Mountain View Upper Elementary School, all of which were anticipated to open during the 2026-27 school year. She said that the projects in blue were part of the CIP request for FY26 to FY29, including land acquisition, an addition to community lab school, an elementary school in the northern feeder pattern, a high school capacity project, and a preschool center.

Ms. Kumazawa said that in addition to capacity, many of the projects in the FY26-30 CIP requests were related to renovations and improvements. She said that the displayed slide provided an overview of all their school buildings and their original construction dates. The ones bolded were newly added in those decades. She said that one other point she would like to make is that they had to create a new category for schools 91 to 100 years old due to Stony Point reaching 91 years in age.

Ms. Kumazawa said that they had made improvements and renovations to their school buildings, and the second graphic on the bottom of the screen attempted to illustrate that. She said that they had made improvements at some of the schools, and when they weighed the areas of the schools that had been renovated or modernized against the original parts of the building, they came up with a weighted age that reflected this. She said that even with the weighted ages, it was clear that many of their school buildings were aging.

Ms. Kumazawa explained that the Facilities Conditions Assessment scores closely correlated to the buildings' ages and weighted ages. She said that this assessment was a current evaluation of different areas of the schools, ranked by a score developed by their Building Services team. She said that the five schools at the bottom of the ranking had the lowest numbers and were also their oldest schools. She said that they were included as projects in the five-year CIP request.

Ms. Kumazawa said that they had done something similar in the past year, conducting a Facilities Conditions Assessment for their middle schools. She said that the results would be reflected in the five-year Capital Improvement Projects requests for Walton, Burley, and Community Lab middle schools. She said that the CIP projects referred to in the projects requests list were called Elementary School Renovations or Improvements and the Middle School Master Plan Study, which were requested as a result of these assessments.

Ms. Kumazawa said that at the high school level, they would see requests for High School Improvements or High School Renovations. She said that they had conducted similar Facilities Condition Assessments, and that shown on the screen was an excerpt from the Albemarle and Western Albemarle High School Master Plan Study, which ranked the schools using a ranking system and determined a quantitative score for each. She said that the Albemarle High School and Western Albemarle High School ratings were the lowest, and those two schools were the focus of their request for high school renovations.

Ms. Kumazawa said that many of these project requests were supported by master plan studies, and that the table summarizing recent master plan studies was provided to support the CIP request. She said that it began with the High School Planning Study in 2017, which recommended building multiple high school centers phased over time to address capacity and equity of access to specialized programs. Ms. Kumazawa said that the study also recommended renovating all the high schools to support learning and vision through high school 2022, and the two projects related to this master plan were High School Center 2 and High School Renovations. She said that the Albemarle High School and Western Albemarle High School Master Plan provided a more detailed look at what those renovations should look like. She said that the request for high school renovations was reflected in this master plan.

Ms. Kumazawa said that the Lambs Lane Master Plan, conducted in 2022, aimed to transform the Lambs Lane property into a main ACPS campus. She said that the CIP request for this project was called Lambs Lane Master Plan.

Ms. Kumazawa said that the Middle School Master Plan was their most recent master plan, and that it provided for short and long-term improvements at all ACPS middle schools to address capacity and equity needs and was labeled Middle School Master Plan.

Ms. Kumazawa said that to help visualize the timing of these renovation projects, she would list them from closest to furthest out, year one through year five. She said that currently, they were working on renovations at Mountain View Elementary School, which would not be included in the request, but they would see renovations at Albemarle High School, the special education facility at Ivy Creek, and the first few schools in their improvement program, including Stony Point, Community Lab, Lambs Lane Loop Road, and an elevator addition at Mountain View, as part of the first year projects. She said that the projects had been staggered to implement them in a feasible way, and the funding request was spread out.

Ms. Kumazawa said that she would like to next elaborate on the actual materials they had and details of these projects. She said that in front of the Board members was a thicker packet called the 2023 Long-Lange Planning Advisory Committee Report Recommendations. She said that the School Board's request for this year closely aligned with that report. She said that the report provided detailed information on each of the projects they had discussed before. She said that however, there were some key changes from the original report that she would like to highlight.

Ms. Kumazawa said that costs had been updated to reflect the latest available data. She said that any unfunded projects now included an inflationary factor. She said that they also had some placeholders, which they typically do when they are still working through some things, and that they would replace those with actual budget amounts once they have them. She said that they had updated the timing for unfunded projects, pushing them forward. She said that they had also clarified the High School Renovations project to simplify the timing, addressing one high school per year: Albemarle, Western, and then Monticello.

Ms. Kumazawa said that the Northern Feeder Pattern Elementary School's scope had been increased to accommodate 600 students, taking into account the anticipated growth along the 29 North Corridor. She said that they had ensured ample capacity for the long term at this school.

Ms. Kumazawa said that the Middle School Master Plan had been completed, and the details of those recommendations were now included as part of the CIP project request, which included improvements to Community Lab, Walton, and Burley. She noted that those three schools had previously been highlighted in the Facilities Conditions Assessment. She said that the various tools and reference materials aligned with each other, and these were just different ways to show the projects.

Ms. Kumazawa said that a new project, a preschool center, was set to begin in year five, with a more detailed scope to be included as part of next year's budget presentation.

Ms. Kumazawa said that the summary table provided a comprehensive overview of the School Board's CIP requests. She said that this included ongoing programs and some of the projects that had been mentioned, totaling a five-year CIP amount of \$560 million.

Ms. Kumazawa said that she would like to shift the presentation to discuss their ongoing programs. She said that these programs appeared as annual requests and were typically funded first. She said that the purpose of these programs was to maintain their current infrastructure before adding more. The categories in the CIP were project management, facilities, maintenance and replacement, network technology, School Board, school bus replacement, and electric school bus purchase. She said that these categories remained unchanged, except for the school bus replacement program, which was requested for \$23.8 million over the next five years.

Ms. Kumazawa said that their school bus fleet was aging, as evident from the provided graph, with a large portion of the fleet purchased between 2006 and 2011. She said that based on a 12-year replacement cycle, they currently had 89 buses that needed to be replaced. She clarified that this was not a projection for the next five years, but rather a current need. She said that their current funding level, which remained relatively flat from year to year, did not address this need. She said that the backlog continued to increase each year. She said that this had been a request last year as well, so it was not a new issue.

Ms. Kumazawa said that they were putting more miles on their buses each year due to their crowding and their activities, resulting in approximately 10,000 miles per year on average. She said that they anticipated that after a five-year catch-up period with 30 buses purchased per year, they may be able to reduce the number of buses purchased after that, returning to more historically average levels of school bus purchases.

Ms. Kumazawa said that she would like to discuss the historical five-year CIP funding when comparing what had been requested by the Long-Range Planning Advisory Committee (LRPAC) and the School Board. She said that over the last three CIP cycles, they had between 44% and 61% of projects funded, as shown by the red bars on the graph. She said that the blue shaded area represented unfunded projects, which continued to grow. She said that unfunded projects were not eliminated; they were simply pushed forward and continued to accumulate. Therefore, the blue shade would continue to grow as projects continued to be unfunded, with updated costs reflecting inflationary factors each year. She said that a table at the bottom of the slide illustrated some example projects included in this visual.

Ms. Kumazawa said that next was a familiar chart for both Boards. She said that this table represented the historical capital budget, showing adopted capital budgets for each year over a one-year period, not the five-year CIP. She said that the light orange represented the total CIP, while the dark orange represented the ACPS portion. She said that this data had been adjusted for inflation, allowing them to see the levels of increase and decrease during recessionary times. She said that a table on the right provided an alternative view of the percentage of ACPS projects within the entire capital budget each year.

Ms. Kumazawa said that she would keep the slide up with the summary CIP project request list. She said that a handout including the one-pager grayscale sheet offered a more detailed version of this information, which could be referenced. She said that she would pause here and answer any clarifying questions that the Board members may have about her presentation so far, but for the larger discussion, they would have time after they finished the presentation.

Ms. Mallek requested an example or an illustration of how the equity focus, as discussed on slide 20, was implemented.

Ms. Kumazawa asked if Ms. Mallek was seeking clarification on the Equity of Access to Specialized Programs.

Ms. Mallek said that she was asking for more information about what that means regarding the specialized programs.

Ms. Kumazawa said that many of these studies aimed to provide equitable resources, regardless of the feeder pattern or school attended. She said that this was why they tended to take a comprehensive approach in their Middle School Master Plan, examining all middle schools in the County. She said that some schools were at capacity, while others had available capacity.

Ms. Kumazawa said that by considering all schools, they ensured that every student received the same level of consideration for improved facilities. She said that building one new middle school and assuming that the issue was resolved would overlook the needs of their aging middle schools and their facilities. She said that therefore, they believed it was important to consider the entire division when addressing pockets of issues throughout the County.

Ms. Mallek said that that made sense. She said that she had envisioned one school implementing maker spaces and no others following suit. She said that the old argument was that this was where it started, so this was where they were going to do it. She said that therefore, she appreciated the approach taken here.

Ms. Mallek said that, according to slide 19, if she understood the scoring correctly, WAHS (Western Albemarle High School) appeared to have the lowest rating among the high schools, but it was not the first one to get done. She said that it had been postponed for many years already, so she was curious about what else was involved in the process. She said that, in the context of prioritizing projects, if the rating was the basis for decision-making, she would like to know more about how they decided to go forward.

Ms. Kumazawa said that they were part of the same project request in terms of priority, and she was asking about the timing.

Ms. Mallek said that it was many years later for the second one, which had the lowest priority rating.

Ms. Kumazawa said that they were requesting renovations for Albemarle High School in year one and Western High School in year two.

Mr. Matthew Wertman, Director of Building Services, said that the assessment on that slide was conducted with the Finney study in 2017. He said that since then, they had undertaken various projects, such as the 2017 bond referendum, which included a project at Western that added four classrooms, renovated the science areas, and updated the seating spaces. He said that therefore, this assessment was slightly more outdated compared to the elementary school assessment since then.

Ms. Mallek asked if that meant that many of the things called for in slide 19 had already been done.

Mr. Wertman said that some of them had.

Ms. Mallek said that she was completely shocked by the school bus prices, as she recalled when, in the past, the school bus expense was transferred from the School Board budget to the local Government CIP, with the expectation of outside funding to support it. She said that however, it appeared that this funding had disappeared. She said that if anyone had additional information on this topic, she would appreciate knowing.

Ms. Mallek said that she was also interested in slide 28, which was compelling, but also highlighted how, over many years, the Schools may not have everything that the CIP has but had still received a majority of the funds. She said that she took some comfort in this. She said that they were doing the best they could in those years. She said that she would stop there.

Ms. McKeel said she appreciated the thorough report, which included a significant amount of data and information. She said she had a few clarifying questions to ensure she understood the report correctly. She said that staff had mentioned building in an inflation factor. She asked if staff could please elaborate on what that was. She said she would like to confirm that for future reference.

Ms. Kumazawa said that it was 5%.

Ms. McKeel said that she would like to also comment on the school bus issue. She said that as they considered alternative options, she thought they all agreed that diesel buses were no longer the preferred choice for the future. She said that she hoped that this trend would continue, and their annual purchase of 30 diesel buses would eventually come to an end. She said that while they did not yet know exactly how this would play out, she recognized that the CIP was fluid and could change from year to

year. She said that from an environmental perspective, it was clear that diesel was not the direction they wanted to be heading, and their recent trip to Champaign-Urbana showed them at least one option as an alternative model.

Ms. McKeel said that considering the purchase of 30 diesel buses each year, she found it striking when thinking about their efforts to transition to a more sustainable transportation model. She said that she also wanted to mention that the Board of Supervisors had an opportunity to support the establishment of a regional transit authority (RTA) this month. She said that if any School Division personnel were interested in attending the discussion, it may be informative. She said that establishing such an authority could potentially provide long-term funding for transit, which she hoped would involve the school system and transportation departments in the discussions.

Ms. McKeel said that next, she would like to know if staff could provide some clarifying information on land acquisition.

Ms. Kumazawa said that this was a general concept, with no specific site in mind. She said that it was intended to be a consideration for a new middle school, a new high school, or a new elementary school, as the need may arise at any level. She said that if funding was appropriated and an opportunity became available, there would be a budget to acquire land, as they would undoubtedly need it. She said that depending on the site and the type of school, it could accommodate any school type. She said that ultimately, it would depend on the availability of the site.

Mr. Pruitt said that recently, they had an illuminating discussion with the City, where they talked about the specifics of how the buses were financed. He asked if staff could provide a brief overview of the dollars and cents per school bus, and how that money actually flowed. He asked if the primary cost was upfront and if they received state or federal financing assistance.

Ms. Kumazawa said that they pay approximately \$137,000 per bus.

Mr. Bowman said that there was a small portion of state funding allocated to support the buses, with the remaining cost to be covered by a combination of cash and borrowed proceeds. He said that he would discuss the funding strategy in more detail later in the presentation, including how individual projects were funded, whether it was a project that relied on multiple funding sources.

Ms. Kumazawa said that the state funding was approximately \$270 thousand for the program in total.

Ms. Mallek said that the \$1 million allocated to the County is gone now.

Ms. Kumazawa said that she was uncertain about the history of the funding.

Mr. Gallaway said that he just realized that one part of this report would happen again this upcoming year. He said that he had a few questions regarding the projects that were not included in this report, specifically those listed in the five-year request. He said that the rationale for these projects was not provided in this document. He said that for the community lab school was not included in last year's report.

Ms. Kumazawa said that it was part of the Middle School Master Plan Study, and it had initially been included as a placeholder. She said that the master plan study had recently been completed, and as part of that study, there was a recommendation to renovate the community lab and build an addition onto the existing building.

Mr. Gallaway asked if the addition was a programmatic change. He said that according to the numbers there was not a capacity increase.

Ms. Kumazawa said that it would increase from the current 240 students up to 400 students.

Mr. Gallaway asked if there was a 150-person waitlist for the community lab that justified that increase. He said that typically, their additions were driven by accommodating the current students that go there.

Mr. Matthew Haas, Superintendent of ACPS, said that there was an extensive wait list. He said that there was a difference in how the current principal was able to house students there in terms of their current enrollment; based on some of the issues presented, such as the age of the building and the adequacy of the facilities, the principal did not staff or enroll the school to its full capacity. He confirmed there were more than 100 students on the wait list.

Mr. Gallaway asked if school staff could please send the Board of Supervisors the rationale for the projects for this cycle so they could better understand, because they would not be seeing it until the next year.

Ms. Kumazawa said that the other middle schools were approaching capacity, so this would alleviate the burden on those schools. She said that this addition would not only benefit the community lab but also help to redistribute students from their other middle schools, as having more seats available would pull students out of those schools.

Mr. Gallaway said that Lakeside posed a significant concern. He said that Burley and Walton had capacity even in the outyears. He said that he was unsure how to increase student enrollment in Walton.

Ms. Kumazawa said that it was included in the master plan, and they would be sure to clarify that information.

Mr. Gallaway said that he would like more information about the \$100 million allocated for a high school project in the future. He said that specifically, he would like to know more about the \$10 million allocated in FY29 and the \$100 million allocated in FY30.

Ms. Kumazawa said that this was a placeholder project, with the first amount allocated for design and the second amount serving as a placeholder for construction costs. She said that it was a project that was anticipated to become a priority in the near future. She said that they were currently in discussions with LRPAC (Long-Range Planning Advisory Committee) and staff to clarify the scope of the project, and further details would be provided in the upcoming recommendations.

Mr. Gallaway said that they also had other high school improvements and additions. He asked if this funding was related to continuing the high school center model.

Ms. Kumazawa said that the placeholder number was intended to represent potential additions, one at Western Albemarle and one at Monticello, but it was not a confirmed amount and should not be taken as such. She said that this was in addition to the other high school projects listed.

Mr. Gallaway asked if the Western Albemarle improvements did not include an addition.

Ms. Kumazawa said that a small addition was included as part of that project, but the main focus of that project was renovations of the school.

Mr. Gallaway asked if the \$100 million could potentially apply to centers or additions at the existing high schools.

Ms. Kumazawa said that the recommendation may be for an entirely new high school, but it had not yet been officially determined. She said that they were currently working on finalizing the official recommendation based on the feedback and current discussions.

Mr. Gallaway requested that the rationale for that funding be provided in addition to the community lab school rationale. He said that when the School Board had had conversations about the decision to establish the centers, there was an educational philosophy behind this approach, and it was not solely driven by budget constraints. He said that the fact that a new high school was being proposed seemed to be at odds with this prior pedagogical decision. He said that therefore, he wondered if the School Board had reconsidered its philosophy on whether a comprehensive high school was needed.

Ms. Acuff clarified that no, they had not had that conversation. The original plan was to build a series of centers, and if they had gone with the 2019 approval of that project, they would be looking at another project now. She said that it was always intended to build a series of centers, invest in their existing high schools, and then plan for subsequent centers. She said that they had not had a conversation about a new high school as a Board whatsoever. She said that the \$100 million price tag Mr. Gallaway just mentioned was probably more like \$200 million.

Ms. Acuff said that she personally did not think that was the way they needed to go as a community. She would like to see them looking at a second center site more towards Western. She said that they had looked at properties in that direction several years ago but had not found a suitable site. She said that she was still committed to that plan; while they had not done a recent poll of the whole Board, but they were not considering a comprehensive high school. Such a plan would require massive redistricting, and it would take all the capital out of every project they had forevermore. She said that it would not provide equity for their students, as they would still have old high schools.

Ms. Acuff said that the purpose of this model was to have an overall price tag that would be less, at least for the first five to 10 years, it would not require disruption, and it would provide equity across all their high school students. She said that that was the direction she thought they were going to continue to pursue. She said that however, in the meantime, as Ms. Kumazawa noted, they had 300 students added this year, which was double what they predicted, and 100 of them were at Western, which was equivalent to three to five classrooms. She said that they had to do something, and that was why they had a placeholder.

Mr. Gallaway said that he understood, but that it seemed that the School Board should have that conversation.

Ms. Acuff said that was right.

Mr. Gallaway said that Ms. Acuff had previously shared her opinion on the matter, but it should not be included as a rationale if the Board was not supportive of it. He said that he was concerned that the community may already be discussing a new high school, which could be a distraction from the current issue at hand.

Ms. Acuff said that it was an absolutely fair comment.

Mr. Gallaway said that he knew that Ms. Kumazawa had not originated that rationale and was working with the direction she had been given. He said that it appeared there was a disconnect between approaches. He said that if the \$100 million was for additions and centers, that was great and he appreciated the rationale. However, he did not want to have these meetings, looking out five years, having conversations about a new high school when a new high school was not feasible, possible, or wanted. He said that it was not his call; it was the School Board's.

Mr. Gallaway said that the Board always got advocacy for different things, and when advocates started advocating for something that was not even a possibility or became opposed to something that was not even a possibility, it was an unfair thing to put citizens through. He said that this was his concern. He thanked Ms. Acuff for clearing that up. He said that if there was work the Board had to do and if the answer changed, please let them know.

Ms. LaPisto-Kirtley said that on slide 27, she was struck by the amount being spent versus how much the School Board desired. She said that when she looked at page 28, she noticed that the historical capital budget funding provided a comprehensive view of the entire County's budget, which showed that ACPS received 54% of the total amount that came in for the entire County. This helped to put things into perspective. She said that regarding the elementary school at the northern feeder pattern, she would like to clarify a couple of points. She said that they mentioned a projection of 500 to 600 students. She asked if the proposed school would have enough land, or if it would be a two-story building, which she believed would be more cost-effective. She said that she was not familiar with the building process, so she would leave that to the experts.

Mr. Wertman said that they anticipated that the square footage of the building would increase, with an estimated 80,000 square feet. He said that their fit test studies initially assumed a two-story building, but with the larger capacity, they may need to consider a three-story design in some portions. He said that they did have precedent for this, as evidenced by the three-story addition in Crozet and the three-story design for the southern feeder pattern elementary school. He said that as for the land, the proposed site was the one they had proffered and available in the North Point area.

Ms. LaPisto-Kirtley said that she would prefer a higher building over more land used so there was more land available for the children to play in. She asked if the lifespan of a diesel bus was similar or better than the lifetime for electric buses.

Ms. Kumazawa said that previously, the standard was 16, but they recently updated the standard to align more closely with what many of the surrounding Counties were using, which was 12.

Ms. LaPisto-Kirtley said that it appeared they were going backwards. She asked what the lifespan was for the electric buses.

Ms. Kumazawa said that it was 15 years.

Ms. LaPisto-Kirtley asked if there was a location determined for the preschool center.

Ms. Kumazawa said that it was a new project for which the scope had not yet been fully defined, but recognizing its necessity and recommendation, they had chosen to include it in their plans as soon as possible. She said that the next steps involved the Long-Range Planning Advisory Committee developing a scope recommendation as part of the upcoming cycle.

Ms. LaPisto-Kirtley said that when they discussed equity and the renovations for the schools, she wondered if this was implying that equity meant spending the same amount of money on each school.

Ms. Kumazawa replied no. She said that the definition of equity is ensuring that every student has equal access to the same quality facilities and resources within those facilities. She said that some schools were more in need than others, based on assessments, so the requested budgets for each school are tailored to meet the specific needs of each school. She said that this is why they would notice varying budget amounts.

Ms. LaPisto-Kirtley said that she had hoped that was what she meant in terms of equity. She said that she was aware of a school that was very old and would only have one or two plug-ins, as they were not available or necessary when the school was built, whereas now they are more essential. She said that to clarify, providing equity would upgrade each school to a standard.

Ms. LaPisto-Kirtley said that in the 2019-2020 school year, they had over 14,000 students, and in the 2024-25 school year, they had over 13,000 students. She said that their numbers were currently lower than they were in 2019; however, a growing population was expected to increase their numbers in the coming years. She said that additionally, she would like to know if class size would be a topic of discussion later, including any potential increases or decreases. She said that she was wondering because the number of students in a classroom determines the amount of classrooms they would need.

Ms. Kumazawa said that with regards to long-term facilities planning, they assumed that current class sizes would remain unchanged. She said that in terms of what they would need to consider with what changes may occur next year, this would be discussed during the upcoming operating budget discussion.

Ms. LaPisto-Kirtley said that Ms. Acuff had mentioned about 100 students.

Ms. Acuff said that the high school class size right now was between 22 and 24.

Ms. LaPisto-Kirtley said that it was low.

Mr. Andrews said that his main question was mostly related to the homework he needed to do and probably failed to do very well. He said that on slide 27, it discussed the historical five-year CIP funding, and he was trying to reconcile the difference between what was requested last year that did not appear and what was newly added to the current request. He said that he was comparing this to the budget from last year, which included projections for five years, including school needs.

Mr. Andrews said that according to Slide 27, the red bar represented the new request, which did not align with what was previously requested. He said that he was struggling to understand how this new request fit into the previous requests and what was considered in the overall five-year plan last year. He said that this was a complex issue that he was trying to grasp.

Ms. Rebecca Berlin said that there were two clarifications that may be helpful to make based on their previous discussions on the School Board regarding some of her Supervisor colleagues' questions. She said that she would like to discuss the enrollment increases, referring to slide 11, and the corresponding grades. She said that specifically, she thought what they were observing was that as people had left the district, they were now seeing them return in the middle of high school. She said that if staff would like to elaborate on this, she would appreciate it.

Ms. Kumazawa said that for example, historically, WAHS had shown a certain progression rate. She said that this trend typically captured students who came back from private school to public school in WAHS, and it was generally somewhat predictable. She said that this year was an outlier, as they did not predict the typical trend. She said that instead, they saw a higher incoming group of students. She said that another area that was also unexpected was kindergarten enrollment. She said that they had observed small kindergarten classes in both the previous year and this year, which influenced their methodology.

Ms. Kumazawa said that they typically moved students up based on historical patterns. She said that consequently, they anticipated a small first-grade class this year, given the small kindergarten class from the previous year; however, they had new first graders show up who had not been part of the previous year's kindergarten classes, so that created another unexpected outlier. She said that when these unexpected outliers occurred, it could be challenging to accurately determine how to use the data moving forward. She said that typically, it took a few years to gain a better understanding of how to apply this data or why they were off in their projection.

Ms. Berlin said that she believed it would be beneficial for her colleagues to understand, regarding slide 18, what factors were considered when assessing accessibility, such accessibility for students with disabilities as well as lighting within classrooms and adequate space within classrooms. She said that she thought that clarifying the differences between the Crozet and Stony Point facilities could help address some of the equity concerns.

Ms. Kumazawa said that they do include some of the details of the assessments in Appendix H of the report. She said that the interior assessment component was one of the three main components, along with the exterior assessment component and the structure and systems component. She said that within these assessment components, they had assessed each school line by line, providing very detailed metrics. She said that this allowed them to ensure that each school was evaluated in the same way, and that the detailed scores behind each assessment were transparent.

Ms. Berlin asked if this detailed information could be shared with the Board of Supervisors.

Ms. Kumazawa said that the elementary school assessment information was included in the report, but she could also share the middle school and high school components as well.

Mr. Wertman said that this was an internal assessment completed by their staff. He said that this assessment had already been completed for the elementary and middle school. He said that the high school assessment, however, was based on the 2017 HBA Facilities and Equipment study that was conducted.

Mr. Gallaway said that the middle school information would be helpful to have, because it was an important assessment to understand.

Ms. Ellen Osborne said that their annual budget was needs-based, based on the professional educators in their community's recommendations for meeting the desired educational outcomes. She said that when discussing class size, she believed it was essential to consider the broader educational context, rather than just focusing on the number of students in a building. She said that it was not just about physical space, but about what would ultimately provide the best educational outcomes for their community. She said that this was particularly relevant when reviewing slide 27.

Ms. Osborne said that examining slide 27 was quite distressing, as the blue bar continued to grow. She said that if, as a community, they consistently failed to receive what they determined they needed as a School Board, she believed they should be honest with the community and acknowledge

that they were okay with being a generation behind in school building. She said that considering the age of their schools and the current gap, it was uncertain how they would dig themselves out from their current state.

Ms. Osborne said that some of their schools were 100 years old. She said she appreciated that several of them believed slide 28 was compelling, as the orange bar exceeded half the size of the yellow bar. She said that she appreciated the significant portion of capital funding allocated to Schools. However, she must admit that she was biased, and the importance of schools cannot be overstated, particularly in their roles beyond traditional education. She said that they were taking on many responsibilities now. She said that was her perspective.

Mr. Graham Paige said that he would provide some comments on his thoughts. He said that looking at slide 27 had been particularly concerning for him since 2019. He said that it seemed to be a continuation of issues that began around the time they first proposed the model. He said that when they first proposed that model, it was with the understanding that their existing high schools would also be renovated to meet the expected standards. He said that the discrepancy between what was requested and what was received had its roots in the Center Project from 2019.

Mr. Paige said that he had been troubled by the class size issue, particularly with their science classes. He said that with a large number of students, experimental work became impractical. He said that therefore, class size really does matter. He said that going to something somewhat superficial, something that had been disturbing to him was that their School System and their County was quite affluent, but looking at the state of their school buses, they looked like they were from the 1930s and 1940s. He said that the condition and age of these buses were not only aesthetically unappealing but also impractical for their School System. He said that these concerns had been lingering for several years, not just related to the data on this slide, but dating back to 2019.

Mr. Charles Pace said that he had a specific question. He said that he was thinking about AHS (Albemarle High School), but it could potentially involve their other two comprehensive high schools. He said that he was wondering how willing they were to allow AHS to continue adding students, and if that was something they had thought about.

Ms. Kumazawa said that school size was a topic they frequently discussed, and it was one of the areas of focus for the LRPAC. She said that they had received research from the Education Advisory Board (EAB) on this topic. She said that it had been an ongoing consideration, and she did not have a specific answer for AHS at this time.

Mr. Pace thanked Ms. Kumazawa for the answer. He said that he would like to offer a couple of comments. He said that in terms of their high school philosophy he would provide his perspective. He said that the center model allowed them to be more flexible, given that they had three comprehensive high schools. He said that he did see that there would be plenty of students in the future who could benefit from that model, both educationally and in terms of meeting varied needs for a secondary education. He said there would be students who required additional support, and that was where he believed the centers, if developed properly, could play a significant role in helping them meet that need.

Mr. Pace said that as they considered student population, they had been discussing this earlier. He said that the numbers had fluctuated, reaching a high of over 14,000 before decreasing, and the pandemic had undoubtedly contributed to this trend. He said that they were making a lot of changes to their programs, and he believed this would lead to a significant increase in student enrollment, not just due to students entering new units, but also as students returned to their division. For example, he thought the return of private school students to WAHS this year was a notable example of this trend, and it was something they should keep in mind as they moved forward.

Ms. Acuff said that with respect to Mr. Pace's comments, they had observed a notable increase in ninth-grade enrollment this year, which included individuals who previously attended private schools or home schools and had now returned to public education. She said that she would like to offer a couple of observations regarding the buses.

Ms. Acuff said that she agreed with Ms. McKeel that it would be beneficial to transition to electric buses, but they were significantly more expensive, exceeding \$300,000. She said that they lacked a comprehensive charging plan for the County and the necessary infrastructure to support such a transition. She said that the electric buses they currently had were acquired through grants, but they were limited in their ability to implement a robust electric bus program until they established a County-wide infrastructure plan. However, within that acquisition period, she hoped there would be a shift and continued subsidies.

Ms. Acuff said that she would like to discuss the pre-K center. She said that although it was still in its early stages of concept, it would allow them to consolidate their pre-K efforts and potentially free up space in their elementary schools. She said that currently, they housed around nine to ten pre-K classrooms across the County. She said that they had made efforts to utilize underutilized land in their high school center and elementary schools to minimize land costs. She said that there was a proffered parcel on the Brookhill site that could be utilized for this purpose. She said that on that site, there was a seven-acre site, which could work, and that was where the growth pattern was. She said that her bias would be to utilize existing land, as they would not have to incur land acquisition costs.

Ms. Kumazawa said that to clarify, there were 11 pre-K classrooms.

Ms. Acuff said that those 11 classrooms were predominantly located in the urban ring.

Ms. Kumazawa said that they were Agnor, Greer, and Woodbrook.

Ms. Acuff said that that would free up eleven classrooms, which was particularly relevant given that these schools were already nearing or at capacity. She said that this would be a rationale for pursuing this project. She said that considering the class size tension between Supervisors and the School Board, research on class size suggested that smaller class sizes could be beneficial for certain students.

Ms. Acuff said that in their County, 13% of students were English language learners, 12% were special education or disabled students, 13% were Hispanic, 11% were Black, and 30.3% were low-income. She said that these students benefited more from smaller class sizes and that although they were concentrated in urban areas, they were distributed throughout the County, with poor students in every single school.

Ms. Acuff said that they had 350 homeless students last year, and they were on track to meet that number again. She said that for these students, smaller class sizes were crucial for their learning and for their teachers. She said that after the Great Recession, they had looked to increase class sizes by half a student and one whole student in different areas. She said that she would be unhappy if that were seen as a major route to address their capacity issues.

Mr. Andrews said that he wanted to continue the discussion in a more open-ended manner and clarify a point regarding participation. He said that if someone was not physically present at the table, they were encouraged to speak up and identify themselves for the recording and the audience. He said that this ensured that everyone knew who was speaking. He said that he was horrified by the mention of 354 homeless students. He said that he would like to understand the specifics of how they were identified and what steps could be taken to support them, but it may be a separate discussion from today's work session.

Ms. Acuff said that she did not believe their staff with expertise was present in the room, but they had just received a presentation on the topic.

Ms. McKeel said that as part of the presentation at the ACPS Education Foundation meeting on Monday morning, that information was included and likely could be shared. She said that as Ms. Acuff had mentioned, those homeless children were indeed scattered throughout the County, but they were concentrated in the urban ring. She said that she thought that was actually beneficial that they were concentrated in a specific geographic area of the County because they could provide targeted support. She said that for example, they could ensure that class sizes in those areas were correct.

Ms. McKeel said that she would like to add a couple of additional points. She said that they had a proffer at Brookhill for an elementary school, and they had a proffer at North Point for an elementary school, which would be the site of their next elementary school. She said that they were currently working on an elementary school to alleviate overcrowding at Mountain view, which was expected to open soon.

Ms. Acuff said that it would open in 2027.

Ms. McKeel said that Virginia Department of Transportation (VDOT) projects had been taking eight to 10 years to complete, so unfortunately, three years was considered fast in their work. She said that when they returned to discussing high school facilities, they knew that land costs would be a significant expense. She said that they had proffered land at 29 North that they had discussed before, which was part of the Brookhill development, but that it was across the road, and she urged everyone to review the master plan for the Lambs Lane campus, which would free up space if they could relocate the bus station, car wash, and gas station to that proffered land, which they both owned.

Ms. McKeel said that then they would have more space available on the Lambs Lane campus to create additional educational space. She said that it did not necessarily mean that they would simply add an addition to Albemarle High School. Instead, they had acres of space to consider alternative scenarios. She said that looking at it from a different perspective, it did not have to mean that students were confined to a single building or the same building. She said that she was pleased to see the master plan for the Lambs Lane campus in their documents, and that getting done could potentially accelerate progress on their work with the high school.

Ms. McKeel said that she appreciated the center model, as she believed it was educationally sound. She said that the center model provided students with an option, allowing those who may not want a comprehensive high school education every day of the week. She said that the center model at Center 1 was extraordinary, and she was excited about the Center 2 at the Lambs Lane campus, which would be opening soon.

Ms. Mallek said that to remind everyone, they needed to revisit the \$0.01 tax increase referendum bill that they had fought so hard for last year. She said that this bill would have provided \$24 million for their CIP. She said that although the Governor had vetoed it last year, and it had not gained support from three or four members of the General Assembly, she believed it would be critical to revisit this bill in the future. She said that as they would have a new governor in the next couple of years, she was hopeful that they could gain support in the General Assembly and could pass this bill through a referendum in their community. She said that referendums had been successful in the past, particularly

for school construction and school cost-related issues. She said that she simply wanted to bring this to their attention and ensure that they continued to support this bill.

Ms. McKeel said that she would like to reiterate her previous point regarding the diesel bus piece. She said that she believed it was essential to remember that transit was undergoing significant changes, and that was the primary point she was trying to make. She said that as they moved forward, they may not need to invest in purchasing more buses for the School Division due to these changes.

Ms. McKeel said that Charlottesville and other communities had successfully implemented similar strategies, shifting students to high school and middle school options, which had led to increased ridership on the transit bus system. She said that however, they must prioritize improving their transit bus system, and the regional transit authority would play a crucial role in this effort in the long term. She said that looking ahead, they had a lot of work to do to establish a robust transit system in their community.

Ms. McKeel said that she particularly appreciated the comment about the school bus lifespan of 12 years. She said that during her time on the School Board, they had been able to extend the life of their buses by 14 and 16 years by rotating them between rural and urban areas, allowing them to drive different routes and reducing wear and tear.

Ms. Jamie Gellner, Director of Transportation for ACPS, said that they continued to do that. She said that there was also a component regarding mileage, and their buses were meeting mileage before aging out. She said that they had 17 buses with over 250,000 miles on them. She said that in her previous job, she would update the policies, and the policy was updated due to their mechanics' exceptional ability to keep their buses in good condition at 16 years old, whereas previously it was 12 years. She said that she would also like to ask Ms. Kumazawa if this proposal was submitted last year. She said that it appeared that they had been requesting this for a few years, and they were now reiterating their request.

Ms. McKeel said that she was not suggesting that they should not be purchasing any diesel buses at all. She said that rather, she believed that they needed to consider the environmental implications of the future and that changes may be coming. She said that it was true that they may need some replacement diesel buses in the near term.

Ms. LaPisto-Kirtley said that she would like to add a comment related to the bus issue. She said that in rural areas, she had observed that larger buses often struggled with navigating gravel roads, making U-turns, and returning to their original route. She said that it appeared that they had started using smaller buses to serve the smaller, more isolated areas in these rural regions. She asked if this trend was expected to continue.

Ms. Gellner said that she believed they currently had four Type A buses. She said that it was unclear whether they would continue to purchase additional smaller buses. She said that they had had a positive outcome this year with their transportation services, particularly in terms of getting all their children to school. She said that she believed they needed to continue to assess the situation. She said that they needed to consider factors such as the number of children packed onto those buses, the length of the ride times, and the overall quality of the bus ride. She said that to achieve this, they still required more drivers and additional buses. She said that they had explored third-party vendors and were continuing to research different types of buses.

Ms. Mallek said that she had a couple of follow-up questions. She said that she understood that the trend of graduating fifth graders leaving the system and then returning for high school. She asked if that was specific to Henley, or if it was a broader issue affecting all middle schools. She asked if they had information on this trend. She said that it appeared that Henley had been experiencing capacity issues for 15 years, with the building reaching its maximum size. She said that the gym was great, but it was not the only thing that needed to be expanded to accommodate the needs of younger students. She said that she was curious to know if this trend was unique to Henley or if it was a system-wide issue.

Ms. Kumazawa said that she could provide the Board with the exact data around that.

Ms. Mallek said that she wanted to share it with everyone, as she believed this may prompt others to ask questions about other issues they were interested in. She said that several citizens had emailed her, asking about reading success in the upcoming year, which had been a topic of discussion over the past couple of years. She said that although it was not on the agenda for today, it was a topic of great public interest, and they would like to be able to share that information as well.

Ms. Mallek said that she was aware that opinions on slide 58 varied, but she would like to remind everyone that there were decades of unfunded Local Government projects, where for decades, the only things that were completed were public safety and schools.

Ms. Mallek said that four years ago, things began to turn around, and more Local Government projects started being prioritized for the County as a whole. She said that she had been around long enough to see that during recessions or revenue downturns, many projects did not move forward due to shifting priorities. She said that was why she had a different perspective on that. She said that regarding the 1% sales tax, she had heard that Prince Edward's delegation was already moving forward with it, so they needed to get organized to support this effort.

Mr. Andrews said that he wanted to comment on capacity, as it had been a recurring topic. He

said that in slide 15, there was information on a 10-year conflict and 10-year development pipeline, and he felt that this slide, although it was followed by a discussion of project timelines, did not provide a clear picture. He said that the 151% capacity utilization rate was particularly concerning, especially when considering that the Mountain View Upper Elementary School project was already underway at this point.

Mr. Andrews said that they needed to make sure that their projections matched what they had approved so they could identify what was not in the pipeline and where they were falling. He said that this did not tell him that because he already knew some of these numbers, hopefully, will be fixed with what is in the pipeline, but not all of them, and that was where he was missing some information.

Ms. LaPisto-Kirtley said that she wanted to clarify the issue of class sizes, as Ms. Acuff had mentioned increasing half a student to a full student. She said that as a former principal, she had also implemented this strategy, and 22 students seemed to be around the optimal number. She said that she was aware that some classes may require a lower student-to-teacher ratio, but she was also aware that some schools had successfully managed with class sizes as high as 30.

Ms. LaPisto-Kirtley said that she believed that 30 was too high, especially when considering the needs of English language learners. She said that a balanced class size could be beneficial, and that if there were too few students, you did not get the diversity and mix of students, and that it was good to have a good mix. She said that while she was not advocating for a specific class size, she thought that even with English language learners, it was possible to go too low. She said that this was another perspective on the issue, and it was worth considering that class size requirements could vary from school to school and even within individual schools.

Mr. Gallaway said that regarding Mr. Pace's comments regarding the ideal size of the school, he recalled the conversation but was trying to determine whether it was a formal policy or simply a discussion.

Dr. Haas said that it was just a discussion about guiding principles.

Mr. Gallaway said that this was around the time frame of 2012-2014, when they were discussing the ideal size for elementary, middle, and high schools. He said that the seven of them shared their thoughts on the matter, but he could not recall whether it was a guiding policy or not.

Ms. McKeel said that she recalled some significant work on small schools.

Mr. Gallaway said that it was definitely born out of that.

Ms. McKeel said that they had found out that some of their schools were so small that they were not good for the students. She said that the studies revealed that some of the smallest schools, with enrollments ranging from 150 to 180 students, actually experienced higher levels of bullying. She said that this was because the students lacked a way to form separate social groups.

Ms. McKeel said that there was data and discussions to support the idea that a school could be too small, and this was particularly relevant to elementary schools. She said that the issue arose from a school that struggled to retain teachers and principals, as well as a number of unfortunate bullying incidents. She said that as a result, they conducted studies to examine the optimal size of their elementary schools.

Mr. Gallaway asked if that conversation had happened with the School Board since 2016.

Ms. Acuff said that they had had a more recent conversation about whether they should have a ceiling on the size of their elementary schools, particularly when Brownsville was nearly 900 students. She said that at the time, they were discussing the center model and attempting to create a series of centers that would reduce the school size. She said that she did not think they had an appetite for significantly larger high schools. She said that their target size for an elementary school had been around 600 students.

Mr. Gallaway asked if the target at that time was around 350 students. He said that he recalled about 10 years ago when they had that conversation, it was half of that.

Ms. Acuff said that as Mr. Andrews mentioned, they did have a plan for the northern feeder pattern school, but her concern with regards to capital and school sizes was to avoid building too small. She recalled that Ms. McKeel had been on the School Board before she was, and she was aware of how budget cuts had affected the size of Greer Elementary. She said that then, within four years, they were discussing redistricting.

Ms. Acuff said that similarly, with Woodbrook Elementary, which had added 16 classrooms, had been the primary subject matter of the referendum, and they were already talking about overcrowding there. She said that they had explosive growth in some of their schools, and she believed they had thought they were building robustly for a 10-year window. She said that however, it had only been half that time, so increasing the size of the northern feeder pattern school at North Point to 600 seemed necessary. She said that the costs of building were so enormous that building it too small would be irresponsible.

Ms. McKeel said that she agreed with that, and she believed many of them nodded in agreement

when they discussed the 600 student capacity. She said that she was aware that they and the Planning Commission had also discussed the idea of incorporating an empty level into new school designs. She said that this approach, as seen at the university, allowed for the construction of a larger facility for future growth, as it was more cost-effective.

Ms. Acuff said that the recommendation was for that extra 100 to 200 students, but they ultimately cut it back. She said someone had pointed out that they were not yet back to pre-pandemic numbers of enrollment, but they were very close at 13,887 students. She said that she saw no reason why they would not continue to grow. She said that every time she drove down the road, she noticed another development, and she cringed because of the potential impact on their schools. She said that she was not opposed to the growth of their community, but she was concerned about the strain it may place on their schools.

Ms. LaPisto-Kirtley asked Mr. Richardson what the total population growth projection was for 2050.

Mr. Gallaway said that they were at 115,000 and the report had said 31,000 people, so that was approximately 150,000.

Ms. McKeel said that the reality is that their community is aging. She said that they are seeing an influx of families with children and students, but the majority of people moving in are over the age of 50. She said that this is why they have a high concentration of healthcare facilities.

Ms. LaPisto-Kirtley said that they had a preponderance of older people as well as facilities to accommodate them.

Mr. Andrews said that with no further questions, he would turn the presentation back over to Mr. Bowman.

Mr. Bowman recommended they take a short recess before proceeding to the next portion of the presentation.

Mr. Andrews called for a 15-minute recess.

Non-Agenda Item. **Recess.** the Board recessed its meeting at 2:39 p.m. and reconvened at 2:55 p.m.

Agenda Item No. 3. **Joint Work Session w/ School Board:** Five-Year Financial Plan Work Session, *continued.*

Mr. Bowman said that for the rest of the staff presentation, he would like to provide an overview of where they were in the current adopted budget and the CIP. He said that both on the revenue and expenditure sides, he would explain how those were put together and how the financial side of that worked. He said that this was not the start or the end of the discussion. He said that there were some next steps today that would continue on the staff side, and future considerations for the Board in the budget process. He said that he would walk through some options and then, of course, leave as much time as possible for Board discussion.

Mr. Bowman said that as they began with the CIP, he would discuss the CIP adopted this May, which was a five-year plan, and served as the basis for reviewing and updating as part of the County Executive's recommended CIP released in February. He said that on the slide were the revenues that made up the adopted CIP, and he would delve into the cash equity in green, which comprised 28% of the CIP revenues, and the planned borrow proceeds in red, which made up the majority of the CIP revenues.

Mr. Bowman said that he would not discuss the revenues in black text on the right of the slide today, as those were specifically tied to projects. He said that, for example, state funding for school buses could not be repurposed for another project. He said that joint park projects with the City of Charlottesville also had restricted funding. He said that most of these revenues were directly tied and not discretionary like cash and borrow proceeds would be.

Mr. Bowman said that to take a closer look at these two revenues, he would first examine the cash equity, and on these slides, he had the sources of that money on the left and how it was applied on the right. He said that the cash equity that came into the CIP primarily came from their shared revenue formula, which they used to share funding among School operations, County Government operations, and the CIP and debt. He said that he would not go into detail about the full formula, as it was published in the budget book, but in essence, they performed a few-step calculation.

Mr. Bowman said that the change in revenues was allocated as follows: 54% went to School operations, 36% to County Government operations, and 10% was jointly used to support the capital program and related debt service. He said that this was where the majority of the cash equity originated. He said that both Boards had directed one-time funding in the past if available. He said that it was derived from year-end fund balances and one-time savings, and the revenue that was channeled into the CIP to help move projects forward.

Mr. Bowman said that the largest portion and most significant allocation was the first bullet point because it was ongoing revenue. He said that the use of this cash was detailed on the right side. He said that the first step in considering any capital projects was the payment of debt service, which could be thought of as the County's mortgage. He said that this debt service related to the principal and interest on all prior bond issuances. He said that bond issuances are typically done for 20 years, with some exceptions, but 20 years is a good rule of thumb.

Mr. Bowman said that when favorable conditions existed, staff may recommend refinancing debt, but this did not happen as frequently as regular issuances over time. He said that after debt service was paid with the cash equity, the remaining amount was allocated to eligible projects that could borrow funds. He said that this was 5% of the project's cost. For example, if a project cost \$60 million, they would use \$3 million, or 5%, of the cash to pay for it, leaving \$57 million, or 95% of the project cost, to be paid with borrowed proceeds. He said that certain projects were not eligible for borrowing due to their type of expense or short life cycle, so they must ensure they had sufficient cash each year to fund these projects after paying debt service.

Mr. Bowman said that the majority of CIP revenues came from planned borrowed proceeds, which were generated from regular bond issuances. He said that recently, issuances were completed in 2021 and 2023, with a refinancing in 2022 due to favorable bond rates and lengths. He said that they planned to issue bonds every other year as part of their regular financial management, which funded 95% of eligible project costs.

Mr. Bowman said that borrower proceeds were very important, as they were the funding that came into the County and were directly related to debt service payments. He said that he would discuss debt service and debt capacity in more detail. He said that the County had a Triple AAA bond rating, which was first achieved in 2003 with two ratings and had been maintained by the three major credit rating agencies since 2013. He said that this was a relatively rare occurrence in the United States, with only 55 counties nationwide in which there were 3,000 plus counties having achieved this status.

Mr. Bowman said that in Virginia, they were part of a select group of 13 counties out of 90 or so counties with Triple AAA bond ratings. He noted that this rating was not just a certificate, but a testament to their maintained fiscal discipline and planning. He said that to maintain this rating, they underwent a rigorous process every year, where they submitted their financials and key metrics to the rating agencies for review. He said that they assessed their financial health and overall performance.

Mr. Bowman said that one question they often received was what benefits came with this rating. He said that to illustrate, he would use a personal analogy. He said that a Triple-AAA bond rating was equivalent to having a perfect credit rating. He said that this meant they had a lot of flexibility in their budget, as their debt service was a low percentage of their expenses. In contrast, communities with higher debt service as a percentage of their budget have limited flexibility to address future Strategic Plan items. He said that the primary advantage of this rating is the future flexibility it provides to the Board.

Mr. Bowman said that the second is that it saves them money in the long term, as they can secure the best interest rates relative to the market. For example, if multiple contractors were to bid on a home project, they would likely receive a competitive bid from all of them, resulting in a better deal. He said that in 2023, when the County issued its tax-exempt bonds, there were nine companies right at the start to purchase those bonds, allowing for the best rate possible.

Mr. Bowman said that another advantage is that, unlike some localities, Triple AAA bond-rated communities have access to the market, whether planned or in emergency situations. This flexibility allows them to borrow when needed, even for catastrophic reasons. He said that for someone with a perfect credit rating, having access to the market and competition for services leads to lower debt service costs and future flexibility for the Board as they plan their budget annually.

Mr. Bowman said that debt capacity is primarily measured in two ways, set by the Board's financial management policies, which include charts commonly used in the budget process. He said that the chart on the left of the slide compares annual debt service payments to ongoing operating revenues for County government and schools. He said that they can see that their policy maximum, informed by best practices and financial advisors, is a ceiling to maintain their Triple AAA rating. Currently, they are not in the red line, and it was notable that their headroom is roughly 5.5% at FY25, increasing to over 7% by FY29. However, with the five largest capital projects underway, including the core systems update project, Rivanna Futures land purchase, and three schools, the bonds issued will drive up debt service costs and transfer more funds to those debt expenses, which is why the headroom was changing.

Mr. Bowman said that on the right, they have the total outstanding debt, not just for one year, but the total outstanding debt, and how it compares to the County's tax base. He said that this was one area where they had a bit more headroom, and historically, they had, but they could see that it had increased slightly over time as well. He said that both of these metrics were very important.

Mr. Bowman said that from a pure debt capacity perspective, was there more that could be done, and the answer was yes. He said that the catch was the affordability in the cash related to that debt. He said that he would walk through an example later to illustrate this point. He said that the reason that more projects were not added to the CIP was not due to debt capacity, but rather the related cash and affordability issues, which he would discuss in more detail later.

Mr. Bowman said that before he proceeded with the next steps, he would turn his attention to the

expenditure side of the CIP. He said that this had been adopted in May by the Board, totaling \$330 million. He said that they could see that the majority of this funding, as had historically been the case, went to Public Schools, followed by the functional areas listed on the right for County Government. He said that the largest project functional area was Community Development, which was the County's transportation leveraging program. He said that the County would put dollars in and draw down up to \$10 million for certain projects from the state to help leverage transportation needs.

Mr. Bowman said that another factor guided by the Board's financial management policies was the emphasis on ongoing programs. He said that the Board's financial policies stressed the importance of taking care of current assets to avoid more long-term, costly repairs or unexpected issues. He said that on the provided chart, they had a list of projects and programs that made up the ongoing programs on the left, and on the right, he could see that 43% of the funding in the adopted CIP went to maintenance, replacement, and other obligation projects.

Mr. Bowman said that as Ms. Kumazawa had noted, school facilities maintenance and replacement were the largest portion of these projects, which made sense given that they had more school facilities than County government facilities. He said that one thing to keep in mind was that as they had expanded and built new facilities, whether for Schools or County Government, this put pressure on their ongoing programs, not just facilities, such things as Fire Rescue apparatus. He said that many of their smaller vehicles were not included in the CIP, but larger engines and ambulances were, as their system had evolved.

Mr. Bowman said that school buses were also part of their ongoing programs. He said that as Ms. Kumazawa and he had discussed, the challenges they faced in the next few years had been reflected in the school's priorities, and this would be reflected in the County's philosophy before adding new standalone projects.

Mr. Bowman said that next, he would like to examine the ongoing programs that made up 57% of their budget. First, he would focus on the Board's approved funding, which included projects that were currently moving forward. He said that these projects were adopted in FY25 and were approved in a prior year and were still moving forward as projects taking more than one year to implement typically in the capital budget.

Mr. Bowman said that for Public Schools, he would look at the \$93 million currently appropriated in standalone projects beyond those ongoing programs currently underway. Next, he would discuss County Government projects, which were more numerous but smaller in nature due to their scope. On the left side, they had the six goals in the Board's Strategic Plan, which were color-coded to match those goals.

Mr. Bowman said that, for example, quality of life had objective statements related to parks and recreation. Currently, they had improvements at Biscuit Run, Darden Towe Athletic Fields, an urban pocket park, and a trailhead's ADA improvements. Moving up to the top line, they had infrastructure projects with transportation leveraging and the design of a northern convenience center. He said that last year, a southern convenience center had opened on the southern end of the county. This project was located on the northern end of the county.

Mr. Bowman said that he would also like to draw attention to the Rivanna Futures project, as the property purchase had been made due to the substantial debt service payment of \$58 million. He said that he would like to draw attention to this as a specific project with a higher debt service compared to their other smaller projects. He said that the Board had approved community non-profit projects, and on the bottom line, the core systems modernization, including their financial management replacement system, were part of the CIP. Additionally, County Government had funding for workforce facility renovations as part of their Strategic Plan.

Mr. Bowman said that on the bottom right corner related to safety and well-being, the largest ongoing project was the Courts Construction Project, which was underway and accounted for the majority of the \$95 million. He said that this project, along with some smaller improvements at Station 11 in Monticello, were already appropriated. He said that moving forward, the Board did not need to provide any further direction or action on these projects in the budget, as they would continue as planned. The next slide outlined projects for County Government and Schools as part of the FY26-29 CIP.

Mr. Bowman said that typically, in recent years, projects had started in one year and moved up as they were updated. Looking at the approved projects for the future years, they saw that many would continue from the previous year, with funding added for projects such as Darden Towe athletic fields and transportation leveraging. He said that he had highlighted in yellow those projects that would be new in the future years from FY26 to FY29 that were not mentioned on the previous slide.

Mr. Bowman said that for example, the Northern Convenience Center was being designed and the construction of that would be contemplated to be completed in FY27. He said that the Central Library Renovations project had appeared in the CIP last time. He said that the downtown central library, jointly owned 50/50 by the City of Charlottesville and the County, with the majority of use by County residents. He said that being an aging structure, renovations and upgrades were planned, with design and construction scheduled for FY27 and 29, respectively.

Mr. Bowman said that they also had ongoing parks programming in green, and had discussed the northern feeder pattern with design and construction in FY27 and 28. He said that they were continuing

work on core systems modernization and facilities for County Government, as well as acknowledging the school renovations, which were not at the requested level but were included in the budget for FY26 to 29. He said that as they moved forward, they must consider projects beyond the CIP that they were currently working through with staff.

Mr. Bowman said that the Public Schools had shared their requests, and he would like to share some of the items on the mind of County Government as they began to develop the CIP. He said that these were recommendations that would be made available as they gained new information, with the recommended budget set to be released in late February. He said that starting with the Courts Construction Project, which was not yet fully under contract, they were monitoring material costs and potential variability to plan for.

Mr. Bowman said that next, they had the Fire Rescue apparatus replacement, as their Fire Rescue system had grown and evolved over the past 20 years, and many of the apparatus were nearing the end of their life cycle.

Mr. Bowman said that the third item was an updated request from the Emergency Communications Center, which operated the 911 call center off of Ivy Road. He said that this was a regional facility, operated by the City, County, and UVA, and involved work at the current site to address the aging facility and capacity issues. He said that the volume of public safety calls, particularly during the daytime as their community attracted more visitors, had significantly increased, prompting the addition of staff to respond to this growing need. This was a response to the aging condition of their public safety facilities, similar to the Central Library. He said that the County's share of this \$20 million project was still under review. He said that he would like to spend more time discussing this project as it would be revisited in the budget process. He said that although it had been requested last year, the ECC was not included in the CIP. He said that the ECC had continued to refine the project, clarifying its scope and sharpening its budget projections.

Mr. Bowman said that the Board had community non-profit projects, as they typically received requests for affordable housing projects and capital investments from park groups. These projects would be considered again in the budget.

Mr. Bowman said that transportation referred to the Revenue Sharing program with the state, which had multi-year cycles. He said that they must plan far ahead and were working with their Community Development staff to ensure they were positioned to draw down funding when needed.

Mr. Bowman said that the Rivanna Futures debt service was being revisited due to the strategy behind purchasing the property to explore its potential as a hub for economic development, defense industry, academia, and community partners. As the County now owned and controlled this property, they would need to consider its evolution over time.

Mr. Bowman said that in terms of technology systems, this referred to end-of-life systems that they were currently replacing in their HR (Human Resources), Community Development, and Financial Management systems. He said that they were also planning for other systems, having worked closely with their IT Department to ensure they were planning for these, assuming they are appropriate for the capital budget, which was a review they conducted with Public Schools to ensure they were budgeting in the right place and planning for those replacements as well. He said that this was not a recommendation, but rather some key things that the staff was currently evaluating as they began to update and prepare a recommended CIP from FY26 to 30.

Mr. Bowman said that the next slide had been shared with the Board from the County Executive, and it was a review of their Strategic Plan and a few key takeaways. Three observations stood out. He noted that the colors on this chart did not match the others, so he asked that they not attempt to match the colors. He said that the first observation was that workforce and customer service was a key priority for the Board, and it was also an important goal for the School Board. He said that having well-trained staff who were recruited and retained enabled them to advance all strategic priorities more effectively.

Mr. Bowman said that the second observation was the red circles around the goals of safety and well-being, education and learning, and workforce and customer service represented the recipients of the majority of County funding, and they really required funding to move forward. He said that they could not simply reengineer some of their processes to support them. All three of those goals required replacement of systems, which would be completely live in CY25.

Mr. Bowman said that regarding education and learning, this included the work the School Board had discussed with Center 2 and the southern elementary school beginning construction. He said that for safety and well-being, that the courts project had been underway for some time and was about to come to fruition as well. He said that they knew they had grant funding to respond to the changing dynamics of volunteers in the Fire Rescue services in the County, continuing to maintain those service levels. He said that all of those goals were important, but the three circled goals were the main cost drivers in the upcoming budget.

Mr. Bowman said that this concludes the overview of the CIP. He said that the next few slides will focus on where they go from here. He said currently staff was working on a five-step plan to update the adopted CIP. He said that the first step was to ensure that they were honoring the Board's past endorsement of projects included in the CIP. He said that they would then update their staffing and financial assumptions. He said they would then conduct a revenue update to determine what the next five

years looked like. He said that they would also review their interest assumptions and examine the day-to-day operations to ensure they were using the latest and best information, which they would continue beyond this meeting.

Mr. Bowman said that the third step was the joint Board meeting on December 4. He said that this conversation would continue with the Board on February 26, when the County Executive recommended a CIP. He said the Board would then have a series of work sessions, public meetings, and other activities as they worked through the recommended budget process.

Mr. Bowman said that a fair question that may be on the Board's mind was, to the extent possible, how would additional projects be included in the CIP? What factors would staff consider? Assuming available revenue was present, they would look to the Strategic Plan and how they guided that. He said that the Board had six strategic goals, comprised of 23 objectives, and they needed to ensure that as staff, they were aligned to make meaningful progress on all of those to the extent possible.

Mr. Bowman said that this brought them back to the chart on their debt capacity. He said that they would walk through a little math and the art of what could be possible right now. He said that this chart shows the tightest headroom of their debt service as a percentage of their annual operating revenues. He emphasized that this was an exercise, and he encouraged the Board not to feel a need to memorize any numbers, because they would change in February. However, this was where they were right now based on the adopted CIP, and it was a reflection of the thought process that went into that.

Mr. Bowman said that as he mentioned before, in FY29, the yellow line shows where the headroom was the tightest. He said that the County's debt ratio was approximately 7.1%, which meant the County had the capacity to borrow more based on its financial policies. He said that if the County were to reach 8% of its headroom in the following year, it would have the ability to issue \$60 million in bonds for projects. He said that another consideration was if the County were to reach 9%, it could issue an additional \$122 million in bond projects. He said that this \$122 million included the \$60 million; it was not an additional amount.

Mr. Bowman said that he did not model a scenario for 10% because the Board of Supervisors had been clear that they should not plan to reach their maximum capacity. He said that he saw the heads nodding in agreement around the table. He said that if they would like to do the quick math, they could figure it would be approximately another \$60 million, but he had not modeled that scenario because the Board's policies were clear.

Mr. Bowman clarified that planning at maximum capacity in conjunction with a dramatic slowdown or change in the economy could result in the County being above its policies and losing flexibility to adapt to future changes. He said that the world had changed significantly in the last five years and would likely continue to do so in the next five years. He said that having this flexibility was essential for the Board to take advantage of emerging opportunities.

Mr. Bowman said that while the County's capacity existed, they must also consider the cash needed to execute on those projects. He said that this brought them to a series of questions, some of which had answers, while others depended on the specific projects. He said that hypothetically, if they parented that \$6 million if they moved to that 8% level in FY29, does the County have the capacity? He said that yes, it did.

Mr. Bowman said that most importantly, did the County have the related cash funding needed? He said that there were two types of cash that were necessary. He said that first, they needed to secure 5% of the project funding through cash, and 95% would be borrowed. He said that this upfront cost of \$3 million was significantly less than the actual impact. He said that after the bonds were issued, they would pay the debt service for the next 20 years.

Mr. Bowman said that each year, if they were to utilize the \$6 million, using lease revenue bonds, which was their traditional approach, the County would incur a \$5 million annual expense as part of its budget. He said that if they were to choose a general obligation route, as had been done in the past, the advantage was that it was backed by the voters, allowing them to secure a better interest rate of approximately 0.25%. He said that this resulted in a slightly lower annual debt service payment. He said that there was no funding source that would allow for this in the FY25 budget. He said that in FY26, this would need to be considered.

Mr. Bowman said that a \$5 million annual funding commitment was a significant sum. He said that currently, the value of one penny on the real estate tax rate was approximately \$3 million. He said that if the Board were to take action, they would need to dedicate about \$1.7 cents to capital, assuming it was not split among the normal funding formula. He said that this was a hypothetical scenario, not a recommendation, but it helped to illustrate the options and possibilities. He said that the financial aspect was just one consideration; other impacts needed to be evaluated outside of the CIP, including the effect on future flexibility.

Mr. Bowman said that once the headroom was increased, it did not decrease until the debt was being retired, which happened on a regular basis. He said that they may explore options for refinancing the debt, but this would eliminate future flexibility until that took place.

Mr. Bowman said that the second consideration was the ongoing operating costs, whether in the general fund or the Schools fund. He said that the ability to execute would depend on the project, and

timing could be a significant factor. He said that this may involve land acquisition or the design process, both of which could influence the timeline.

Mr. Bowman said that these were hypothetical examples of what could be possible if that cash was present. He said that at this point, they were discussing the capital budget, and he wanted to note that both Boards would face pressures in the operating budget, including stabilizing the workforce, investing in other initiatives, and addressing public safety concerns. He said that as they responded to evolving populations, such as the growing school population, as mentioned by the School Board members, or their County Government, they needed to consider the implications.

Mr. Bowman said that he wanted to conclude with this last slide, noting that these examples were not items for Board discussion today, but rather a way to explore possible strategies and the factors that could impact the CIP. He said that when the Board considered the budget process, they would not only examine the CIP but also the operating budget and the various needs they must weigh when working to achieve a balanced budget.

Mr. Bowman said that these options, starting with understanding the impact of calendar year reassessments, should be considered. He said that real property was reassessed on January 1 every year, so they must always work within their fiscal year to understand the assessment and anticipate the reassessment. He said if there was a strong reassessment, and the Board of Supervisors did not change the tax rate, it could generate additional revenue, something the Board of Supervisors was well aware of as part of their annual deliberations. He said the Board could also consider tax rate changes, which they could do every year.

Mr. Bowman said that in recent years, the Board had sought to diversify revenues by increasing food and beverage taxes, transit occupancy taxes, cigarette taxes, and personal property taxes. Additionally, the real estate tax was also an option. He said these were the tools available to the Board of Supervisors.

Mr. Bowman said that a third tool was the ability to invest one-time funding, which was available to both Boards. He said according to financial management policies, a certain amount of funding must be set aside to maintain reserves. Beyond that, the one-time funding was discretionary, as long as it was used for a one-time expense. He said that one way to address the pandemic's impact was for both the Board of Supervisors and the School Board to reallocate year-end or one-time savings into the CIP, which had helped advance projects.

Mr. Bowman said that a fourth option, although less straightforward, involved reprioritizing revenue that funded operating budgets, whether ongoing or one-time. He said that he would start with the School Board as an example, but the Board of Supervisors would follow a similar approach.

Mr. Bowman said that hypothetically, next year, if the School Board's formula for operations were to increase by \$10 million, normally that would support all of the operating needs available to Public Schools. He said that if the Public Schools had a certain priority, they could allocate \$9 million of that \$10 million to support operating needs, while reserving \$1 million for capital improvements. He said that this \$1 million could be applied to the CIP and requested to the Board of Supervisors. He said that the \$1 million of ongoing cash every year could go a lot farther because it could be borrowed and put towards \$12 million in renovations or whatever the project may be.

Mr. Bowman said that the County could do the same operation, taking out some of the funding for normal operations and applying it to capital instead. He noted that it was all coming from the same source: tax revenues primarily fund their Public Schools, County Government operations, and debt service. He acknowledged this would be very difficult; while he was not an expert on School budgets, he understood the pressing needs in operations just as the Board of Supervisors did. He said that however, when it came to constrained budgets and revenue growth, prioritization was necessary, and this was one tool that could be explored.

Mr. Bowman said that the final option, mentioned by Ms. Mallek earlier, was a longer-term strategy that would be available by February 26, when the recommended budget was released. He said that the state authority could enact a referendum for an optional 1% local sales tax, dedicated to school construction. He said that Ms. McKeel had mentioned that this bill had been passed by both houses of the General Assembly, vetoed by the governor, and fallen short of an override of the veto by two votes. However, it was essential to note that when the bill was originally introduced, it was written to cash fund projects.

Mr. Bowman said that as it worked through the General Assembly, the funding also became eligible for debt service. He said that with the \$24 to \$25 million in sales tax, if a portion of that was used for debt service, it could go even farther than the \$24 million. He said that \$24 million would be a game-changer for the County's finances. He said that as someone who had been working on the County budgets for several years, this would be the largest change that had taken place in their budget that they had seen so far.

Mr. Bowman reiterated that these items were not the only options, but they would be the largest tools in their toolbox. He said that this effectively concluded the staff portion of the presentation, which had aimed to follow the Schools' presentation, providing a high-level overview of where they were now, what had been approved, what was planned, and some County Government issues on the horizon.

Mr. Bowman said that it also explored how funding fits into the context of their Triple A bond rating and related financial policies, as well as their future direction. He said that he was available to answer questions, but this concluded the work session, and it was now time for the Boards to discuss and consider any thoughts or questions they may have as they moved forward.

Ms. Mallek said that she had no questions, but she had been thinking about this issue without being able to find a solution, mostly because they did not know what would happen in the new year at the national level, which created uncertainty and made her extremely careful about everything. She said that she hoped the County shared this caution. She said that they did not know whether their federal partnerships, which they had enjoyed for the past many years, would continue.

Ms. Mallek said that they also referred to the "ability to execute" item, which she believed was related to another capacity issue: the limitation on the number of projects their staff could successfully complete. She said that this was a concern because they did not want to overextend themselves and then encounter errors, corrections, and other issues that could end up costing a lot more in the long run.

Ms. McKeel said that she had a couple of questions to ask, but she also wanted to express her interest in hearing the School Board's questions. She said that she would like to request a few minutes for Mr. Richardson to review with the School Board what Rivanna Futures was about. She said that as someone who was previously on the School Board, she was not closely following the issues at the Board of Supervisors level, and she believed it would be helpful for the School Board to have a clear understanding of Rivanna Futures. She said that giving Mr. Richardson the opportunity to explain it might be helpful.

Mr. Richardson, County Executive, said that there had been a significant amount of activity this week with Mr. Trevor Henry, Deputy County Executive, and Ms. Emily Kilroy, their Economic Development Director, regarding that property and their work. He said that the 460-acre acquisition had occurred about a year ago and surrounded the 75-acre footprint known as Rivanna Station. He said that Rivanna Station housed 3,000 employees who had been there since 2002, including three civilian intelligence agencies that reported to the Department of Defense (DOD), along with 300 military personnel from the U.S. Army.

Mr. Richardson said that Ms. Mallek, who had been serving on the Board of Supervisors for 17 years, had been working diligently since the mid-2000s, including hosting a visit from then-Governor Warner, who had expressed concerns that the base realignment and closure process could result in the loss of this economic engine. He said that a study conducted by the Weldon Cooper Center suggested that the defense industry in their region generated approximately \$1.2 billion annually, with \$600 million originating from Rivanna Station.

Mr. Richardson said that this was second only the University of Virginia. He said that their military and DOD presence in Virginia was unparalleled among the 50 states. He said that the acquisition had been a defensive move, intended to position them to demonstrate to Washington, D.C. that this community supported Rivanna Station's work. He said that it was a strategic move to ensure that the federal government recognized their support of growth.

Mr. Richardson said that in addition to the defensive move, it was offensive in aligning with the federal and state governments, private industries that the DOD support level private sector, and academic institutions. He said that it was an amazing project, and that they closed on the property purchase about a year ago with a significant amount of work by staff. He said that last night at the Boar's Head they were participating in a conference with 350 individuals from the DOD industry, with Rivanna Station and the related work being highlighted. He said that Senators Warner and Kaine had spoken to the importance of this investment as they moved forward.

Mr. Richardson said that he believed it was only a matter of time before they saw additional investment in their local economy. He invited the School Board to learn more about this initiative, which County staff could certainly provide. He said that this had the potential to benefit not just Albemarle County, but the entire region and the Commonwealth of Virginia. He said that this was one of the only sites in Virginia poised for growth, and he believed it was essential that they continued to support and invest in it. He said that these jobs provided well-paying employment opportunities, which was essential for the well-being of their community.

Ms. McKeel said that she thought it was beneficial for the School Board, particularly when discussing revenue and economic development. She said that this project could serve as an economic driver for their community, ensuring they had sufficient revenue in the future to support their efforts and protect local jobs.

Ms. McKeel said that she wanted to revisit a point she had previously mentioned regarding the 911 call center. She said that Mr. Bowman had mentioned the possibility of purchasing a separate piece of property at one point, but now they were considering enlarging the center due to the growing need. She asked if Mr. Richardson could elaborate on the 911 call center and how the influx of visitors, including both residents and non-residents, impacted the center's operations, as she thought this was an important discussion to keep in mind.

Mr. Richardson said that this facility served as a prime example of a successful local government and agency partnership, as it housed the City of Charlottesville's 911 system, the Albemarle County 911 system, and the University of Virginia, which operated its own public safety police department. He said

that this arrangement allowed for shared infrastructure costs, which could be substantial, and enabled the provision of critical services on a daily basis.

Mr. Richardson said that their 911 communications director had presented to their Board earlier this year, projecting a 40% to 50% increase in daytime call volume, a growth that was reflective of their community's regional nature. He said that as a community, they intuitively understood that their daytime population drove that growth, while their permanent nighttime population paid the majority of taxes. However, this daytime growth put a strain on their critical infrastructure, and their 911 system served as a barometer for this stress. He said that the growth in daytime population, while beneficial, did result in stress to their infrastructure, and he believed this was what Ms. McKeel was seeking to clarify.

Ms. McKeel said that one thing to keep in mind was that they did not have as much control over all the individuals who were entering their community, including tourists. She said that this was an interesting point to consider when discussing what they were required to provide.

Mr. Richardson said that as a destination community, and there were so many good things about that. He said there was a high influx of visitors who came and left on a daily basis. He said that the university had a significant impact on this. He said that with a population of 30,000, comprising 18,000 university students and 12,000 hospital staff, they were a substantial employment center. He said that it was not just the hospital that drove their economy; he also noted that they had a strong presence of travel and tourism, making them a destination community in many ways.

Ms. McKeel said that she thought it would be beneficial to add this to their discussion regarding revenues, expenditures, and their CIP. She said that she had a question for Mr. Bowman. She asked him to review the information one more time for her, but also to consider explaining it in simple terms for everyone at the table and those listening in, particularly regarding the tax rate increase. She said that when they increased the property tax rate, it broke down into a specific amount per penny, because they split that with the Schools.

Mr. Bowman said that the value of a penny on the real estate tax rate, and using approximate math to keep things simple, meant that the estimated value was approximately \$3 million. He said that this number would change in February after the assessment, but it was currently around \$3 million. He said that 10% of that growth would go towards the capital and debt program, which would amount to approximately \$300,000. He said that of the remaining \$2.7 million, roughly \$2 million would be allocated to Public School operations, and roughly \$1 million would be allocated to County Government operations.

Mr. Bowman said that the Board could also increase the personal property tax rate, which generates a smaller revenue. He said that it was about \$100,000 per penny in that case, so it would be about \$30,000, \$54,000, and \$36,000. He said that as they revisited the budget, this information would be a key part of the Board's decision-making process, and he had provided these approximate numbers for context.

Mr. Pruitt said that he would like to build upon that same element. He said that recently, the Board of Supervisors received a five-year budget outlook that predicted a budget gap of between \$3 million and \$4 million in the coming fiscal year, which was expected to increase steadily over the next five years. He asked if Mr. Bowman could provide a rough estimate, in advance of any actual dollar amounts being calculated, to give them a quick reminder as they discussed this issue.

Mr. Bowman said that he believed the gap was approximately 3% in the first year. He said that of the general fund gap of 3%, they had a general fund with around \$400 million. He said that that represented a little over \$4 million, and that 3% would translate to approximately \$12 million. He said to please note that this was a preliminary estimate, as they were still in the process of studying the matter. He said that however, based on their projected expenditure and revenue growths, assuming no other changes to the Board's decisions or economic conditions, that would likely increase over time.

Mr. Pruitt clarified that this referred to current expenditures and current obligations, which did not take into account the housing projects that they were currently undertaking.

Mr. Bowman said that it did include the growth in expenditures to date. He said that if the Board were to consider a more substantial investment in affordable housing than what was currently done, that would add to the deficit beyond that amount. He said that he believed the funding for housing was contemplated by some Board members as modest, so anything more substantial would push that further.

Mr. Pruitt said that he appreciated the background information. He said that he had an embarrassingly straightforward question. He said that when they were discussing increasing up to an 8% total borrowed debt and getting \$60 million in funding, and considering the ongoing debt service cost of approximately \$3 million for \$60 million, he wanted to know if that entire amount was being drawn from County operating funds, regardless of the specific projects being funded.

Mr. Bowman said to clarify, the slide indicated that the first \$3 million would be for the initial upfront cost to complete the project, as they typically did not borrow 100% for projects. He said that the ongoing cost would be \$5 million or slightly less if they were to pursue a general obligation route, which would be necessary for that. He asked if Mr. Pruitt could repeat the second part of his question.

Mr. Pruitt asked if they would do these projects for both School and County capital projects.

Mr. Bowman said that the example did not specify which type of project it was. He said that when examining the CIP, they were really looking at County Government and Public School projects together and trying to find that right balance of priorities.

Mr. Pruitt said that the final element of his question was: If he were to take out \$60 million in debt, leaving aside the technicalities of not directly funding \$60 million in projects, \$40 million of that debt would go towards Schools, and \$20 million would go towards the Housing Fund. He said that he was seeking to know if he was still responsible, as the County, for paying the debt service out of operating funds, rather than the Schools, even though he would only be taking \$20 million of that \$60 million. He said that he perhaps was misunderstanding the purpose of this funding, and if so, he would appreciate clarification.

Mr. Bowman said that when capital was invested, there was not a 60-40 split between County government and other entities due to the nature of capital projects. He said that Ms. Kumazawa's data effectively demonstrated this. He said that if the funding were split 60-40, they would not be able to build a school or undertake a courthouse project. He said that if the \$60 million were to be allocated to bondable projects, whether County Government or Schools, whatever the percentage, the debt service would be \$5 million. He said that however, if some of that funding were to be reserved for cash projects only, the situation would be different.

Ms. Berlin asked if Mr. Pruitt was referring to which budget specifically was affected.

Mr. Pruitt confirmed yes; he was asking whose budget was paying for debt service, regardless of how it was allocated.

Mr. Bowman said that debt service was a general fund operating expense.

Ms. Mallek said that this was the responsibility of the local government.

Mr. Bowman said that under the Virginia Code, the ability for the County Government versus the School Board to hold that debt had a legal reason for that distinction.

Mr. Pruitt said that he was just wondering, and as he was listening, he was thinking that it did not feel fair. He said that since this was his first on of these, he was trying to stay quiet and learn.

Mr. Gallaway asked if Mr. Bowman could clarify his earlier comment regarding a \$1.7 cent tax dedication.

Mr. Bowman said that hypothetically, if the County were to issue \$60 million in bonds, the ongoing debt service and operating expenses would require \$5 million from the general fund. He said that if the Board were to choose to raise the real estate tax rate and dedicate it entirely to debt service payments, that would require a \$1.7 cent increase in the real estate tax rate. He said that to go through the normal split of 54%, 36%, and 10%, the County would need a significantly higher increase to cover that. He said that this was the simplified version of the 1.7. He said that the money would need to continue over the course of the 20 years.

Mr. Gallaway said that he would like to clarify the information presented on the slide of ongoing and non-ongoing expenses. He said that he did not recall it being presented in this format before. He said that based on their discussions with the financial advising team, from a strategic standpoint, were there any established best practices or guidelines that recommended a specific percentage split as a target goal.

Mr. Bowman said that he had not seen such a metric before.

Mr. Jacob Sumner, Chief Financial Officer, said that the split between ongoing and non-ongoing programs was not a typical split that one sees in the financial community due to the bonds and bond ratings. He said that, however, it presented a different perspective on how they categorized projects within their current CIP.

Mr. Gallaway said that it was good to see that the ongoing programs, including maintenance, were experiencing a year-over-year increase. He said that every time a new program was added, it would inevitably put a strain on the existing ones. He said that he was not sure how they planned and strategized to accommodate these increases effectively.

Mr. Bowman said that they regularly reviewed the plan to maintain their assets every year. He said that this was not a rubber stamp approach; rather, they underwent a thorough review. He said that their Building Services team, in particular, conducted an exhaustive review of the plan to ensure it met their needs. He said that this was a new slide they had shared. He said that he believed Ms. Kumazawa had done an in-depth analysis on this topic for this year. He said that staff wanted to tell the story of where the money actually went in the CIP, as most of their discussion with the Board had been focused on standalone projects.

Mr. Gallaway said that the slides from 40 to 42, where they color coded them to the Strategic Plan, were excellent. He said that that was an excellent way to present. He said that he had seen CIP presentations for many years, and he thought this could be one of the most effective ways to communicate the projects to the public, especially in showing how they connected to their strategic goals.

Mr. Gallaway said that Ms. Osborne had mentioned earlier, and he would now ask for a more definitive answer, about what it would take to fully meet the School Board's requests. He asked what percentage they would have to go over 10% and what tax rate would be necessary.

Mr. Bowman said that staff had not prepared that scenario, but it would be above the 10% threshold.

Mr. Gallaway said that he believed it was important for their community to understand, as they did when making their budget requests, they showed what was offered or asked for, and they saw what the County Executive included or excluded from the budget, along with the reasons why. He said that he thought it would be important for them to know what it would take to achieve their goals.

Mr. Gallaway said that they would be having this conversation with their community extensively, not just for School Division funding, but for competing requests for resources this year. He said that their community needed to see what it would take to get the \$10 million housing trust fund. He said that they had heard that the project would take \$3 cents in dedicated funding, not split with the School Division. He said that if the Local Government were to allocate its split, that would translate to \$0.10. He said that therefore, the School Board and Supervisors could not effectively communicate with constituents without understanding the reality.

Mr. Gallaway said that they must determine whether they would raise the tax rate by \$30 cents, or if they would risk blowing past their Triple AAA bond rating by 10% and taking it up to 20%. This was the same point they should consider when discussing the high school. He said that if it was not going to exist, they should know what it would take and they should know what it would look like.

Mr. Gallaway said that Ms. Acuff had previously corrected him on the estimated cost of a high school, which was around \$200 million. He said that they needed to know that information and have a clear and direct conversation with the community about what it would take. He said that they must ask the community if they were willing to do that, and if they were, then it was great and they could come out and do so.

Mr. Gallaway said that they had not even gotten to the School Board's advocacy groups, but already with the Board of Supervisors, they were getting advocacy on issues within the Local Government side. He said that this was important, and he was having conversations with those individuals to explain what it would take to address their concerns and what else could not be done in the meantime. He said that it was essential that they did not pretend that these issues would not exist.

Mr. Gallaway said that as he reviewed the information provided for the upcoming budget cycle, he was concerned that the significant revenue from real estate values that had recently increased and were now decreasing would likely lead to an interesting budget period for the next two cycles. He said that therefore, he believed that they need to be direct and clear with their constituents when discussing this.

Ms. LaPisto-Kirtley said that she agreed with Mr. Gallaway's commentary, as she was also thinking along the same lines. She asked, if the Schools were provided the necessary funding, and they fully funded the housing trust fund, what would that look like with a direct tax rate implication. She asked how much were they willing to pay. She said that she believed they were willing to pay more. It was unclear how much more, so it was worth exploring.

Ms. LaPisto-Kirtley said that they could consider a bond or referendum to determine whether the people were willing to increase their sales tax rate or another rate to fund these initiatives. She said that it was essential to discuss this possibility and present it to the public, as it appeared to be a direction they were heading. She said that the people needed to understand what the Board was proposing and the associated costs to the people. For clarity, slide 46 addressed the 1.7 cents increase in tax, which would pay for \$60 million. She asked if this would pay for the CIP.

Mr. Bowman said that, yes, if it were dedicated directly to it.

Ms. LaPisto-Kirtley asked if it would be split with the Schools.

Mr. Bowman said no; in that scenario, it would need to be dedicated. He said that if the funding were to be split, it would require a significant investment, far beyond what one penny could generate, considering one penny generated \$300,000 for capital.

Ms. LaPisto-Kirtley asked if the \$60 million could be allocated entirely to the County or entirely to Schools.

Mr. Bowman said that the projects would ultimately depend on what would be prioritized next in the Strategic Plan, as well as the timing of those projects and all the other considerations that they would need to work through.

Ms. Berlin said that she appreciated Mr. Gallaway's questions about what this would cost. She said that she believed they collectively needed to ensure that their constituents understood two key things. She said that, firstly, how these projects were funded, as she thought it was an area that was not well understood by their community. She said that they needed to help them better understand the true cost of a high-quality education, including all the services provided by the Board of Supervisors in coordination with the Schools.

Ms. Berlin said that as they had discussed, their growing population was a significant factor. However, to maintain their status as a great place to live and work, they must continue to invest in their parks, land, and schools. She said that this investment was needed for creating an educated and happy workforce. She said that she supported the idea of their CFOs working collaboratively to provide a detailed breakdown of the total costs and potential ways to pay for them.

Ms. Berlin said that furthermore, they had heard a bit about what the Board of Supervisors needed from the School Board to understand those priorities and how they arrived at them. She said that she would like to know more about what they needed regarding the justification for enrollment numbers and waitlists.

Ms. Berlin said that also, how these would meet the needs of their students, families, and community members. She said that any further clarification the School Board could provide on this matter would be beneficial as they moved forward with prioritization. She said that she knew the School Board would be eager to come to the table and work with the Board of Supervisors on prioritization of projects.

Mr. Paige said that he agreed with Dr. Berlin's remarks. He said that he would like to know the potential effects of funding their School System's needs, including the impact on their tax rate, bond rate, and the County's overall rates. He said that this may seem unrelated, but he was considering counties like Loudoun and Fairfax, and Prince William, which were experiencing rapid growth, and how they were addressing the need for new schools. He said that perhaps they could learn from the experiences of these counties and gain insight into effective strategies for addressing their own needs.

Mr. Pace said that he did not have any additional questions beyond those raised by his colleagues. He said that he would like to commend Mr. Bowman and Ms. Kumazawa on a truly excellent presentation, which had been both educational and informative. He said that this presentation had particularly helped a Board member in his rookie year of service to better understand the process, and for that, he appreciated the effort.

Ms. Acuff said that she would like to extend her gratitude to Mr. Bowman and Ms. Kumazawa for the presentations. She said that from her perspective, the five-year plan feels like a one-year, pay-as-you-go approach in terms of commitments. She said that the only way to get a more ambitious catch-up plan for financing is to raise revenues, either through a tax increase, borrowing against the ceiling, or praying and advocating for the sales tax referendum. She said that these were the only realistic ways to go. She knew that Rivanna Station was an economic driver, but the other variable for economic growth is how good the School Systems are.

Ms. Acuff said that she thought that some of their schools could benefit from improved physical infrastructure, as the learning environment played a significant role in student success. She said that she believed it was essential for the County to consider how they could catch up, similar to their efforts to catch up with their school bus purchases. She said that the slide presented by Ms. Kumazawa had highlighted their falling behind, but someone had referred to it as a "wish list." She said that their statutory obligation was to present a needs-based funding request, but she believed they often under-presented their request, and honed it pretty tightly, due to the limited funding they could expect.

Ms. Acuff said that she believed there was a proactive approach they could take to address this issue and catch up, even if they could not fully close the gap. She said that if they maintained the same financing model and drew a line at 40%, they would continue to fall further behind. She said that she appreciated the hard work and dedication of everyone involved, and she understood the Supervisors' diverse range of projects on their agenda than the School Board's. However, she firmly believed that one of the most important things a community could do was support its students and public education. She said that she appreciated the efforts of the Supervisors who had worked on this, but she was asking for more.

Ms. McKeel said that they all agreed that good public schools benefited the entire County. She asked if it would be beneficial to create a one-pager to get at what she was hearing around the table, so they could clarify for their community how the funding all works, especially around the CIP. She said that if they could come up with something between the two staffs that they could use in the community to talk about, it would be great.

Mr. Richardson said that he could take it on as an action item.

Ms. McKeel said that she agreed with Mr. Gallaway it would be beneficial that as they go through their budget process for the community to understand the implications of the School System's request on the tax rate. She said that this was the bottom line. She said that she would like to know the implications for the entire five years. She said that it would be nice to see that broken down and they could look at the implications on the potential tax rate to fund that.

Ms. Acuff said that for a lot of the community, the difference between the operating budget and capital budget was unclear, so if they could provide a brief explanation, that would be a good starting point.

Ms. McKeel said that something like that would be beneficial for both of their Boards and for the community.

Ms. Mallek said that she wanted to follow up on a few points that came up during Mr. Bowman's presentation and the following questions about maintenance for these new projects. She said that one thing that occurred to her was to revisit the list from 2008, specifically the "above the line," "below the line," and "priority list" framework. She said that this was a clear and effective way to organize their responsibilities, particularly for existing buildings and infrastructure. She said that it also helped to identify areas that were not meeting the required standards and addressed them in a logical order. She said that she would like to add that to their list of items to consider.

Ms. Mallek said that regarding the 60-40 split, she would like to offer a different perspective. She said that when the split was originally designed and adopted, the local government landscape was significantly different from what it is today. She said that in 30 years, the level of services provided had increased dramatically, with a much larger public safety department and Schools, among other things. She said that this growing demand for services had led to a shift in their priorities. She said that she thought it was worth considering whether the 60-40 split was still the best approach. She said that she did not have a clear answer, but she knew that they had been discussing this issue for several years, and she thought it was time to revisit it at a future meeting.

Mr. Pruitt said that while discussing the 60-40 budget split, it was helpful to remember that since the budget split was based on percentages, everything moved in lockstep. He said that as they had discussed existing budget obligations, the predicted shortfall, and plans that the Board had expressed interest in, such as housing, these all came with a likely property tax toll. He said that for example, increasing the budget by \$10 million would likely result in a \$.07 increase in the tax rate, assuming the same programming. He said that filling the 3% gap would be equivalent to another \$0.10 on the tax rate.

Mr. Bowman said that it was in the ballpark.

Mr. Pruitt said that he wanted to bring this to their attention, as he believed it was helpful to remember that the baseline they were discussing for the CIP today was not the actual baseline. He said that these changes were interconnected, and any adjustments to the budget would be reflected in all areas, including the 10% allocated to CIP.

Mr. Pruitt said that this meant that the rest of the budget would also increase, as a result of the known expenses and revenue gaps they had identified. He said that he wanted to share this information with his colleagues on the School Board, as he believed there would be a natural upward pull on all items in their budget due to the necessary expenditures, including housing. He said that he believed it was quantifiable and calculable how this would impact capital and School operating loans.

Mr. Andrews said that he believed they may be getting ahead of themselves.

Mr. Gallaway asked if the dates when the County Executive would present his budget and the Schools' presentations during the budget cycle were available online with the budget calendar.

Mr. Bowman said that they were available online, but he would double-check and make sure they were, as well as share them with all the Board members.

Ms. Acuff adjourned the meeting of the School Board.

Agenda Item No. 4. Closed Meeting.

At 4:10 p.m., Mr. Pruitt **moved** that the Board go into Closed Meeting pursuant to Section 2.2-3711(A) of the Code of Virginia:

- Under subsection (1), to discuss and consider appointments to various boards and commissions including, without limitation: the Albemarle Conservation Easement Authority, the Blue Ridge Committee for Shenandoah Park Relations, the Charlottesville-Albemarle Airport Authority, the Charlottesville-Albemarle Convention and Visitors Bureau (CACVB) Executive Committee, the Crozet Community Advisory Committee, the Fire Prevention Code Appeals Board, the Local Board of Building Code Appeals, the Historic Preservation Committee, the JAUNT Board, the Places 29 (Hydraulic) Community Advisory Committee, the Monticello Area Community Action Agency (MACAA), the Rivanna Solid Waste Authority, and the Rivanna Water and Sewer Authority.

Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Mr. Gallaway, Ms. LaPisto-Kirtley, Ms. Mallek, Ms. McKeel, and Mr. Pruitt.
NAYS: None.

Agenda Item No. 5. Certify Closed Meeting.

At 4:33 p.m., Mr. Pruitt **moved** that the Board of Supervisors certify by a recorded vote that, to the best of each supervisor's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting, were heard, discussed, or considered in the closed meeting.

Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Mr. Gallaway, Ms. LaPisto-Kirtley, Ms. Mallek, Ms. McKeel, and Mr. Pruitt.
NAYS: None.

Agenda Item No. 6. Boards and Commissions.
Item No. 6.a. Vacancies and Appointments.

Ms. McKeel **moved** that the Board make the following appointments to Boards and Commissions:

- **Reappoint** Mr. Hamilton Moses, Ms. Sharon Merrick, Mr. David Emmitt, and Mr. Peter Taylor to the Albemarle Conservation Easement Authority with said terms to expire December 13, 2027.
- **Reappoint** Ms. Lizbeth Palmer to the Blue Ridge Committee for Shenandoah Park Relations with said term to expire December 31, 2026.
- **Appoint** Ms. Athena Eastwood to the Charlottesville-Albemarle Convention and Visitors Bureau (CACVB) Executive Committee 2 as the Food or Beverage representative to fill an unexpired term ending on December 31, 2025.
- **Appoint** Ms. Olivia Branch to the Charlottesville-Albemarle Convention and Visitors Bureau (CACVB) Executive Committee as the Tourism Industry representative, with said term to expire December 31, 2026.
- **Appoint** Ms. Sarah Spears to the Crozet Community Advisory Committee with said term to expire March 31, 2026.
- **Appoint** Mr. Christopher Kean and Mr. David Harlow to the Historic Preservation Committee with said terms to expire June 4, 2026.
- **Appoint** Ms. Barbara Hutchinson to the Monticello Area Community Action Agency with said term to expire June 30, 2027
- **Appoint** Ms. Jane Foy to the Places 29 (Hydraulic) Community Advisory Committee with said term to expire August 5, 2025.
- **Appoint** Quin Lunsford to the Rivanna Water and Sewer Authority to fill a partial term ending April 1, 2025.
- **Recommend** Mr. Mike Gaffney to Charlottesville City Council for reappointment to the Rivanna Solid Waste Authority and Rivanna Water and Sewer Authority as the joint City/County representative.
- **Recommend** Ms. Susan Lochte to Charlottesville City Council for appointment to the to the Charlottesville Albemarle Airport Authority.

Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Mr. Gallaway, Ms. LaPisto-Kirtley, Ms. Mallek, Ms. McKeel, and Mr. Pruitt.
NAYS: None.

Mr. Pruitt said that there was a typo in their list, and that it should be Athena Eastman, not Eastwood.

Ms. McKeel amended the motion to **appoint** Ms. Athena Eastman to the Charlottesville-Albemarle Convention and Visitors Bureau (CACVB) Executive Committee 2 as the Food or Beverage representative to fill an unexpired term ending on December 31, 2025.

Ms. LaPisto-Kirtley **seconded** the amended motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Mr. Gallaway, Ms. LaPisto-Kirtley, Ms. Mallek, Ms. McKeel, and Mr. Pruitt.
NAYS: None.

Agenda Item No. 7. Adjournment.

At 4:36 p.m., the Board adjourned its meeting to December 4, 2024, 6:00 p.m. in Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA, 22902. Mr. Andrews said information on how to participate in the meeting would be posted on the Albemarle County website Board of Supervisors home page and on the Albemarle County calendar.

Approved by Board
Date: 09/03/2025
Initials: CKB

Chair