A Joint Meeting of the Albemarle County Board of Supervisors and School Board was held September 2, 2009 at 3:30 p.m. in Room 241, County Office Building, 401 McIntire Road, Charlottesville, VA 22902

School Board Members Present: Mr. Brian Wheeler; Mrs. Barbara Massie Mouly; Mr. Jon Stokes; Mrs. Barbara Massie Mouly; Mr. Steve Koleszar; Mrs. Pamela Moynihan, and Mr. Ronnie Price, Sr.

School Board Members Absent: Mrs. Diantha McKeel.

Board of Supervisor Members Present: Mr. Dennis Rooker; Mr. Lindsay Dorrier; Ms. Ann Mallek; Mr. Ken Boyd; Mr. David Slutzky; Ms. Sally Thomas

Board of Supervisor Members Absent: None

Staff Present: Dr. Pamela Moran, Superintendent; Dr. Bruce Benson, Assistant Superintendent for Planning and Operations; Mr. Robert Tucker, County Executive; Mr. Tom Foley, Assistant County Executive; Mr. Larry Davis, County Attorney; Mr. Bill Letteri, Director of Facilities Management; Mr. Billy Haun, Assistant Superintendent for Student Learning; Dr. Luvelle Brown, Chief Information Officer; Mrs. Ella Jordan, Clerk of the Board of Supervisors; and Mrs. Jennifer Johnston, Clerk of the School Board.

Call to Order

Mr. Slutzky called the Board of Supervisors back to order in Room 241 at 3:43 p.m. Mr. Brian Wheeler, Chair of the School Board, called the Albemarle County School Board meeting to order.

Discussion: CIP Oversight Committee Process.

Mr. Wheeler said he would like to begin with a quick announcement. He has handed to all of the Board members an invitation to the Grand Opening of the new math, engineering and science academy housed in Albemarle High School on September 23.

Mr. Letteri provided a presentation on the Capital Improvement Program (CIP) review process which is done once each year. That process changes each year in response to finding a better way to conduct the process. He said the Capital program is changing and becoming more complex – there are many more projects to think about and issues of balance between the needs of all departments.

Mr. Rooker asked when review takes place after the July filing date. Mr. Letteri said the review by the Office of Facilities Development happens in August and September, with the Technical Review Team spending the month of October performing its function which is the next step. Formerly the function of the Technical Review Team was to rank the projects in some order after completion of its review process. An abbreviated ranking system was used in the past; staff has looked at that system and tried to embellish it. Once the projects are ranked to present to the CIP Oversight Committee, there are one or more scenarios for meeting capital needs. He said the Technical Review Team is really charged with presenting a balanced plan.

Mr. Letteri said the recommendations of the Technical Review Team go to the CIP Oversight Committee and it has been intended that the Oversight Committee's function is to look broadly at those recommendations to see if the projects are in line with County priorities; it ends with a formal recommendation to the County Executive's Office and other review processes. He said staff has focused on the role of the Oversight Committee. He will suggest a couple of changes that might help with the Committee's work.

Mr. Boyd said he was a member of that committee and one thing he saw as a problem was that when the Technical Review Teams recommendations reached the Oversight Committee, the program was not balanced to revenues. That is something he thinks should be done. What the Oversight Committee received this past year was not balanced to projected revenues at all. It was way out of balance in terms of both operational balances, as well as money available to stay within the County's financial guidelines. Mr. Letteri said he thinks Mr. Boyd is right in general. He thinks the function of the Technical Review Team was to determine available resources for the CIP, and what could be reasonably funded. Knowing that changing the timing of a project could change whether the program was balanced or not, they presented a scenario which would get the County to the point where the reserve balances at each of the years in the plan were reasonable. He said it allows for some flexibility. It's not a fixed balanced plan, because that would depend on a number of issues.

Mr. Boyd said "balanced" may not be the correct word. What the Committee tried to do was present something that stayed within the financial parameters of the Supervisors. That is not necessarily something that is balanced to the penny. Mr. Rooker asked if Mr. Boyd meant "financially restrained." Mr. Boyd said "yes." There are parameters regarding income percentages in the financial plan. Mr. Letteri said there are also debt levels. All of those things are to be taken into account at the technical review level.

Mr. Boyd asked if it should be passed on with a notation saying "this is what we can afford" and here is a list of things being left out of the plan. He said the Supervisors go through that same thing with the operating budget. Mr. Letteri said he is going to present that information to the Supervisors this year. He does not think they want to see just what is in the plan, but also what the departments and agencies feel are the real needs of the County and what can be funded and what cannot be funded.

Ms. Thomas said there are two boards involved – is Mr. Letteri talking about aligning board goals. She said the School Board has goals, as do the Board of Supervisors. Mr. Letteri said as the guiding principles are developed, it is hoped that they would be embraced by both boards. Mr. Wheeler said that came to his attention in the guiding principles listed on the screen. The first sentence only mentions the Board of Supervisors. He suggested the documents be scanned and be sure they reflect that both boards are involved.

Mr. Boyd said this past year the Supervisors made certain CIP decisions somewhere between the time the Technical Review Team met and the time their recommendations went to the Oversight Committee. The Supervisors decided they would not fund certain parts of the CIP this year and would shift things around – it changed the game plan. He does not know how that fits into the flowchart shown. He said the Supervisors made some parameter changes early in the process – is that to be done prior to the plan going to technical review or prior to the Oversight Committee – where will that fit in this year?

Mr. Foley said that will happen when taking up the Five-Year Financial Plan process – that occurs during the Supervisors' strategic planning retreat. Staff will present updated revenues at that time so a decision can be made as to how much money can be transferred to capital projects. That will impact what comes to the Supervisors from the Oversight Committee. Mr. Boyd asked if that will impact what goes to the Technical Review Team or will that process already be completed at that time. Mr. Foley said the technical review is really just staff doing the work that feeds into financial planning so they can put together a balanced plan for the Supervisors with some adjustments to the requests. Some parameters will be established when the Supervisors look at financial conditions and that will feed into what ultimately gets in front of the Oversight Committee.

Mr. Rooker asked why regulatory compliance is not at the top of the list. If the County is required to do something under State and Federal laws, he thinks that would preempt everything else. Mr. Letteri said he will address that issue later in the presentation.

Mr. Slutzky noted that the ten items on the list are not ranked. They are equally weighted. Mr. Letteri said these are guiding principles. They are just general ideas that should guide the whole process.

Mr. Rooker said they get fewer points, so to speak, than some of the other things. Mr. Foley said the principles are not prioritized.

Ms. Thomas commented that one thing missing from this report has to do with a recent conversation about a capital improvement project that was desirable because in the long-term it would have cost less money; in fact, there was not enough money to do it at the present time so it will be more expensive in the long-term. She thinks one of the guiding principles should be to consider both the long-term and the short-term impact of a project. Mr. Letteri said one of these principles will address the whole issue of financial prudence. One of the ranking criteria gets at the issue of timing and location – that is where the issue of whether it makes sense to do a project sooner rather than later will be addressed. He will discuss that when he gets to discussion of criteria.

Mr. Boyd asked if there is any interest among the members of adding to that "if financially feasible." Mr. Slutzky asked if being financially feasible is not true for everything on the list. How is that different for this category? Should that not be added to each of the categories? Mr. Letteri said when the conversation gets to discussion of criteria, it will be seen that in the category of sustainability and energy efficiency, there is the ability to look at the degree to which it makes sense. He said if a project was sustainable, but had little pay back, it might score as high.

Mr. Boyd said in the detail it says "meets LEED standards", meets SILVER standards", meets GOLD standards", and that might not be practical in some cases. Mr. Slutzky said that is true for everything on the list. In the way of public safety the Supervisors want enough policemen to protect the citizens, but there may not be enough money. The clear issue here is taking a litany of public needs and deciding how to prioritize the County's limited resources across those needs. The optimization of those resources is inherent in the entire process. He does not know why just one isolated topic would be cited as having to be cost effective and the others maybe not so much.

Mr. Boyd said if something is to be done to make something more environmentally sound there should be some payback involved. Mr. Slutzky said that is true with public safety also and infrastructure. The point is that it applies to all of them. Mr. Boyd said if the County is going to do things that are environmentally sound, they should be because there is a payback, whether it takes five, ten or more years. Mr. Slutzky asked a reason for that. Mr. Boyd said he does not know how to quantify payback on police services. Mr. Slutzky said some social costs are avoided. First there is not the cost of incarceration. Mr. Letteri said these questions can probably be addressed during the rest of the presentation.

Mr. Rooker pointed out that when the policy was adopted to build using LEED standards, the Supervisors instructed staff to look at the cost of the investment and the payback. He thinks that information is being provided as these projects come along. There is a public good from reducing carbon emissions just like investing in a police officer creates a public good. Perhaps, investing in the environment creates some public benefit beyond the payback. Mr. Letteri said there is presently a policy as to the extent the County invests in LEED; the County does not want to exceed that standard. In every case it needs to make financial sense. Also, staff is in the process of developing a more in-depth guideline for LEED certification projects which will be brought before the Supervisors soon.

Mr. Slutzky said to a large extent LEED is for new construction. A lot of the conversation about this topic has related to retrofitting existing buildings. A major component of that will yield savings. He does not know why Mr. Boyd has taken on Number 6 as if it had to be treated differently.

Mr. Boyd said he is not saying it has to be treated differently only that there needs to be payback on it.

Mrs. Moynihan asked if these principles were arrived at through a joint effort between School Division staff and County staff. Mr. Letteri said the principles were shared with Dr. Benson's office. It was staff's best initial effort at identifying what they thought were good guiding principles based upon its evaluation of other communities around the state and elsewhere. It's being presented as a starting point. Mrs. Moynihan noted the 10 principles shown and asked if all of them will be applied to School Division projects. Mr. Letteri said they will be applied. Mrs. Moynihan said if the CIP is going to be looked at jointly, she hopes there would be School Division input into the guiding principles. She would not want it to be an 80/20 discussion.

Mr. Rooker said these guiding principles are not in final form. He thinks there are few of these that wouldn't apply to any kind of facility in the County – an education facility may have a safety component to it that might make it more important than some other education investment.

Mr. Slutzky said to be fair, Mrs. Moynihan is not saying these principles would not apply, but if there are to be 10 guiding principles derived by a consensus process, half of the participation should come from the Schools. He said Mr. Letteri indicated that this is a "strawman" to which a response is needed. He said it has to be clear that this is a strawman and there will be a lot of input and there may be a shift after that input has been extracted.

Mr. Foley said he would like to clarify that a draft was put together by Mr. Letteri based on research from other localities that had joint operations as well as separate operations. Staff then met with Dr. Benson and provided the documents to him. Dr. Benson made revisions, even added things emphasizing education, and suggested that the descriptions in the paragraphs of all the criteria seem to be limited to Local Government needs so they needed to be broadened. The language was changed to say that all of them could apply across-the-board. Certainly some Local Government projects for public safety will not get any score on education, and some education projects will not get a score on public safety necessarily, although they may. He said the process was jointly done and staff feels there was a good staff cooperative process. Staff is ready to revise them based on input from the boards, but it was done together.

Mr. Slutzky said this is not then a first “volley” it is just the first time the boards are seeing it. Mr. Foley said that is correct. Mrs. Moynihan said that was her concern. She just wanted to be sure the School Division had an adequate chance for input and to look it over before it was presented.

Ms. Mallek said it seems the goal is to have equal participation from both Local Government and the Schools; maybe that needs to be amplified in some way. Mr. Letteri said that inter-governmental operations are referenced. Ms. Thomas said she did not see that listed as much as she would like. She said that several years ago after a visit to Portland where she saw a library that had affordable housing above it and the whole thing was a public project, she became interested in buildings having a multiple purpose. She said “we pretty much agreed” that would be considered whenever it made sense. She thinks that looking for multiple uses should be either a principle or a point of projects.

Mrs. McKeel said she had drafted what she calls the eleventh guiding principle. It seemed to her that what Ms. Thomas mentioned was missing and her principle is: “Pursuing opportunities for collaboration between Local Government and Schools working together to advance opportunities for generations to come together in any publicly financed facility.” She also drafted a number twelve which reads: “Support working together with communities, nonprofits, especially those receiving County funds, to find opportunities to share space to benefit all County residents.” She applauds the recognitions of education in this document, but she would like to see education and the schools more woven into all of the County documents. She said there is an absence of schools and education in the County’s Economic Development Policy which is 47 pages in length and the word “school” is only listed one time. She said there is probably not anything the County does in the way of Economic Development that the Schools could not help more with than schools and education since it is a nationally recognized school division. Right now, they could be helping the Supervisors with this, but there needs to be a way to weave education and schools into some of these documents. Mr. Rooker said that is a very good point.

Mr. Slutzky said one way businesses have been attracted to the Commonwealth was by specifically pointing to educational achievement as compared to other states.

Mrs. McKeel said Albemarle is becoming a nationally recognized school division. If the Supervisors are interested in Economic Development the School Board could be a partner, but she thinks there is a disconnect. Mr. Letteri said staff has both of those comments so it can draft some language to address them. Mr. Slutzky said staff might look at how the Economic Development Policy could be modified to address what is an inadvertent omission. Mr. Boyd said if a search was done on workforce education and training, he is sure there would be more hits.

Mrs. McKeel said the Supervisors talk a lot about workforce development but it is not connected to the Schools. Nowhere in these materials is CATEC or the workforce development done by the Schools mentioned, or how it connects to the County, or how the School Board and Supervisors would collaborate together. She thinks this is a good time to look at it and try to get it connected. Mr. Slutzky said just having a good K-12 system will attract employers.

Mr. Dorrier said it’s also important to look at the use of school facilities after the students leave and make them multi-purpose buildings.

Mr. Dorrier asked what public-private partnerships exist now. Mr. Letteri said as an example the County has an agreement with Worrell Enterprises whereby they are donating land and the County is locating a fire-rescue facility on that property (Pantops area). It has a mutual benefit for them in their complex, but yet serves the area. Mr. Dorrier said there are not many of these arrangements. Mr. Letteri said this is something staff continues to look at; this principle provides that sort of guidance to staff. These things are encouraged by the boards. Mr. Rooker said the Ivy fire and rescue station is another example of where the County is getting the use of the land for free. Mr. Koleszar said another one that happened inadvertently was renting Monticello High School during the summer to CFA Institute.

Mrs. McKeel said the use of Monticello High School addresses Mr. Boyd's concern. When it was being built and it was being made green and environmental concerns were being addressed, it was not being done because it would save money. However, in the long run that actually happened because those green portions in the building helped with renting the facility to the Institute. That green space has been paying big dividends summer after summer. She said you can't always see the connect, but lots of times it does pay off.

Ms. Thomas said she is impressed at how crumbling infrastructure is an "all-American activity at this point." She was puzzled by the "assist departments in" and wondered why there wasn't a guiding principle of "Preserve and maintain the County's investments in buildings, land infrastructure and equipment." She asked for a reason to talk her out of that suggestion. Mr. Letteri said that is a good suggestion. It is intended to be a broader statement having to do with the overall view of this principle.

Mr. Rooker stated that part of what the committee does is a cost-benefit analysis of projects, and that's not necessarily implicit in these guiding principles. He emphasized that the analysis should determine how to do the most public good with limited resources. Mr. Letteri responded that year to year there might be a collection of projects that seem to be the only ones that address the greatest amount of public need, but that is not a well-balanced approach to the use of capital funds.

Mr. Dorrier noted that timing and leverage seem to be missing from this principle as leverage can occur when jobs are done during periods of lower construction costs. He also mentioned the delay in the swimming program from the spring to the fall. He thinks timing is very important.

Mr. Slutzky said there is guidance in these principles with respect to what matters of substance have value to the respective boards. He said those speak to the intent of the boards, but then there are process issues having to do with topics such as optimization of resources, cost-benefit analyses, etc. He suggested that some thought be given to having these guiding principles reflect both of those realms comparably. He said a couple of process pieces are mentioned, but they are commingled; it might be useful to recast those in a way that specifically guides the members of the committee Mr. Letteri emphasized that these guiding principles are intended to overlay everything. They are to provide a high-level guide so everyone can agree to how money will be spent on capital projects. The second tool, the ranking criteria, is where the more detailed questions will be answered. In that way, the principles can be applied.

Mr. Boyd said the projects are ranked according to their importance to all projects. But one project is not ranked as being more important than another project. He does not know how that number would come out.

Mr. Slutzky said of the last three principles, the one regarding 20 percent of the proposed weighting speaks to that. The rest just identify areas of substance that are priorities. He said the first seven are in competition with each other, but Items 8, 9 and 10 have more to do with what Mr. Boyd is referring to which is how to compare projects. What is the basis for weighing one project against another? Mr. Letteri said staff was trying to create a ranking system that would enable a given project.

Mr. Dorrier said this process is a little like fixing the secondary roads. Some projects are ahead of other because of emergency situations.

Mr. Boyd said he is having a dilemma mentally – there are two proposed fire stations that fall in the health and safety category. If only one could be build this year and the other in an out year, how would it be ranked by the Technical Review Team? Any project could be identified as needed, and on the public safety side there are a lot of people saying the County's standards are too high. Maybe the standards should be lowered – that could mean the stations are not needed. Mr. Letteri said the notion that it impacts directly the issue of public health and safety is only one of ten attributes being scored. One fire station may address that issue – one fire station could have an impact on a large number of people and be deemed more critical but it could be that other things did not score well, such as it not being a sustainable project, its location, the timing of the project, and the impact of a fire station on the operational budget.

Ms. Thomas said "risk" would be a good addition to the list. It is a useful thought process to take the urgency and the importance of the project into account. Mr. Letteri said the urgency question will be dealt with separately.

Mr. Rooker said as long as it is part of an urgent safety need it would get a higher ranking. Mr. Letteri said that is a part of timing, a part of special conditions or circumstances. It could meet all of those needs, score high and rise to the top. He will explain those in a minute.

Mr. Rooker said he would recommend that the weightings be deleted. They are kind of meaningless. If there is something that is required by state and federal governments to be done, it doesn't matter. To say that someone is not being served by a fire station at all, and timing only gets five percent, so everything has to be viewed in the light of its overall cost-benefit analysis which takes into consideration the public good to be achieved. It doesn't necessarily fit neatly into an "x" percentage allocation.

Mr. Boyd said he is missing a matrix with these principles. He was looking at each of them independently to determine which category is appropriate. He now understands Mr. Letteri to be saying a project could get points in many of these categories. Mr. Letteri said he had not expected the boards to get to this level of detail this afternoon, but he does have some examples. These are complex things to score and go through.

Mr. Boyd said he agrees with Mr. Rooker about the percentage rankings – that they all be put on the same level. Mr. Rooker said there should be some level of points for each category.

Mr. Dorrier said Ms. White used to have a process that she used for every application for funding made to the County.

Ms. Thomas said she would suggest that the last question be "Does the project extend service for growth?" She does not know about "desired" growth, but there will be growth and projects and infrastructure will be needed to respond to that growth.

Mr. Rooker said he would be in favor of taking infrastructure out of that question because this whole conversation is about infrastructure. He does not see it as being in a sub-category which gets point rankings, and he does not know how it could be measured. How is the infrastructure of a library different from the infrastructure of a school building or the infrastructure of a social services building? Mr. Letteri said the intent was to get away from the issue of effectiveness or the issue of whether it is desirable. It is the core question of whether it is essential to operations. Mr. Rooker said he thinks it is a superfluous category because he does not think anyone trying to weigh these criteria could attach any kind of meaning to it. Ms. Thomas said the Supervisors do not have to deal with stormwater pipes very often, but would those pipes fit in this category. Mr. Slutzky responded that it would fit into Health and Safety, Quality of Life, and Regulatory Compliance. The additional text not shown on the screen, in other words, the more detailed bullets in support of Item 5 are arguably important, but applicable across categories. They are more related to process, so he thinks Mr. Rooker may be right that as a value item, it probably is not discreet, it is probably embedded in most of the rest of those items.

Mr. Tucker said the review teams wanted some guidance. The Supervisors directed staff to draft guidance for the Oversight Committee next year, so if everybody agrees with Mr. Rooker, it can be deleted. Mr. Slutzky asked if there is agreement that that item should be reconfigured and out. Mr. Wheeler said he is specifically curious as to why staff included it at all. Was it done to help elevate master planning? Mr. Letteri said you don't want the result to be that core projects don't make their way up high in the categories when the rubrics are applied. That is why you have to be careful as to how this is done and what weight is assigned. Mr. Slutzky said the process may need to acknowledge those elements that would make it rise to the top. Being generated by a master plan might be given more weigh in the rubric to elevate those projects – that is a way to address that concern.

Mr. Dorrier said the County might be able to get Federal stimulus money based on infrastructure needs. Mr. Letteri said that would score elsewhere. He said it is an exact science but one staff is trying to get to; it may be found that in the next years things would need to be further refined.

Mrs. Moynihan asked if the questions being discussed here are asked in any other categories. Particularly the question "Does the project relate to the results of the Citizens' Survey, Board of Supervisor policy or appointed committee or board?" Mr. Letteri confirmed that the questions do occur elsewhere. Mrs. Moynihan said if that question is addressed elsewhere it can be "thrown out." If the question "Is there a facility being replaced that has exceeded its useful life and to what extent?" is asked in other categories it could be "thrown out." If you look at all of these questions and determine whether or not they can be placed in a different category, then you don't need that category. Mr. Slutzky responded that the questions relate to the process of applying these categories. Ms. Mallek commented that they tried to make them consistent. Mr. Boyd said in reading these, he does not find anything that should not be applied to all other categories. Mrs. Moynihan said if that is the case, the question should be put in all the other categories so it would be addressed. Mr. Slutzky suggested the boards hear the remaining questions and the rubric, which may answer Mrs. Moynihan's question.

Mr. Rooker said one way to look at Sustainability and Energy Efficiency would be to say "all other things being equal" is that an important attribute to put weight on? If that is done, it makes these things easier to look at. If all things are equal, the more energy sustainable project should be done first. That adds something in the rankings. Mr. Letteri said that is critical in the scoring aspect. To be sure there are consistent scores every one of these categories has to be seen independently. Mrs. Moynihan asked if every project nowadays should be sustainable and energy efficient. Ms. Thomas said "no." Ms. Mallek said "yes." Mr. Slutzky said bridges are not necessarily energy efficient. He would not want a bridge project to lose points since it would be needed just the same. Mrs. Moynihan said she does not know anything about bridges, but she is sure there are certain methods and components that are used today in building bridges that might be more energy efficient, or sustainable, than the way bridges were built 40 years ago. Mr. Slutzky said if the gas emissions associated with the manufacture of a heavy metal bridge were considered, that might cause the County to stop building bridges. Mrs. Moynihan said that was her point; if a project is going to be done, these things will be looked at across-the-board anyway, so if it was to a choice between building a school and a fire station it doesn't seem one would be chosen over another because it was more energy efficient. The question is which is more important at that point in time.

Mr. Slutzky said there could be a HVAC retrofitting project in a school and significant cost savings could be derived from that project and it also contributed to the climate plan the County has committed to in principle. It might have intrinsic value that would make it more relevant. Mrs. Moynihan said that would be part of making that particular school more energy efficient.

Mr. Rooker said that he likes it being on the list. There might be different projects and one would reduce more carbon emissions than the other. It should get some benefit for that. Mr. Letteri said that is the intent.

Mrs. Moynihan said she is not saying it is not important, but she thinks that in any project considered these days they will look for some of these things. Mr. Letteri said that is where the guiding principle comes in. They tried to articulate that with all projects they will endeavor to make them energy efficient. This category is about applying that principle and then deciding to what extent it makes that happen.

Mr. Letteri said that Economic and Development is a broad category having to do with leveraging the urban area of the community and building the kind of infrastructure that fosters economic development, and also looks at the various growth areas to make sure they happen.

Ms. Thomas mentioned Baker-Butler Elementary School and said that at the time that school was being considered, the Supervisors were determined that any new school would be built in an area served by public water and sewer. She asked where that would fit into this principle.

Mr. Rooker suggested changing "infrastructure" to "consistency with the Comprehensive Plan."

Mr. Slutzky asked if that goes back to the process rubric where that would be an element. Mr. Letteri said the degree to which a project is part of a master or some other plan is a question asked in many of these categories.

Mr. Tucker noted that the question is in every principle.

Ms. Thomas noted that the wording should be "in conformance with the Comprehensive Plan."

Mr. Slutzky said the values being weighted are considered in the criteria, and then there are process questions. Two different lenses are being created. Mr. Letteri said the important thing to consider is that this set of questions and this set of criteria are matched up with the guiding principles.

Mr. Slutzky commented that another scenario would be if a huge match were coming from some public/private partnership, the Board might choose to accelerate the allocation of a small part of the CIP to take advantage of the leverage. Those are the kinds of considerations being talked about. Mr. Letteri stated that as the Oversight Committee gets these recommendations and scoring from the Technical Review Team, the Board would be looking at all items that scored high under Special Considerations.

Mr. Rooker asked why "cost of the project and impact on operational budgets" would not be added in. Nowhere in the criteria is there any ranking based on the cost of the project. There could be a project with an astronomical cost going through an analysis, and a project with a much lower cost and they were ranked equally.

Mr. Slutzky said he thinks the scale is what is being looked for in this instance. If one project is going to equal 100 percent of the available CIP and each of the others represents five percent, that scale problem is the weighting factor.

Ms. Thomas asked if it impacts long-range fiscal policies. The Supervisors do not want too much debt because they have a policy that sets the maximum amount.

Mr. Rooker suggesting saying "... impact on CIP and operational budgets." He said it has a dual impact and if one project takes 75 percent of the CIP, it should rank high in all these categories. He suggested adding "CIP" in front of "operational" and make the word "budget" plural. Mr. Boyd agreed. He said debt service is included in the CIP so that is obviously something that has an impact on what the Supervisors do.

Mr. Dorrier said he thought the committees were supposed to be looking out ten years, in five-year increments.

Ms. Mallek said she knows it's hard to attribute these percentages but there has to be some way to distinguish between projects or they all may be the same. She would like to see a trial year of using the percentages and she thinks all understand there may be some reason why they are ignored, but having them might give some useful information like the ACE criteria which is more cumulative.

Mr. Rooker said he is not in favor of the percentages. He would prefer having 12 to 10 points in each category that could be awarded as projects are ranked. Mr. Dorrier agreed with Mr. Rooker's suggestion.

Mr. Slutzky suggested taking the factors into account and allowing for some subjectivity in the relative rankings. He asked if the guidance being given is that each needs to be considered. Mr. Letteri said more importance can probably be placed on the language going into the rubric.

Mr. Boyd asked if Mr. Rooker was saying that none of these categories should be ranked higher than others – the rating in one category should not be ranked higher than another. Mr. Rooker said if that has to be done, how does it fit into the rubric? Mr. Boyd said you might not agree with how they allocated those percentages, but does it make any sense to have some percentage. Mr. Rooker said it makes sense to him to have a certain number of points that could be awarded in each category for discussion purposes. That would show how members of the committee had individually weighted projects in terms of their importance based on the criteria the Supervisors had adopted.

Mr. Stokes said if Quality of Life is ranked a one in a project that is also equal to a one in Special Considerations.

Mr. Slutzky asked if anyone is uncomfortable with saying there are ten criteria and not weight them. Ms. Thomas suggested that the Board let Mr. Letteri go through the criteria once and see if there is value in it or not. Mr. Rooker said he is not suggesting that it be the final determinant.

Mr. Stokes said if that is done they are all equal and each of the points in each category would be worth the same. He did not know if the boards as a group, for example, would decide that Quality of Life was more important than the impact on the budget or timing or location.

Mr. Wheeler emphasized that weighting the criteria takes out some judgment. He thinks staff is recommending the rubric and percentages because the joint boards had said decisions seemed arbitrary and projects were not being value-ranked. They want to put priorities on different guidelines so it helps put value judgments into a system.

Mr. Letteri said staff is trying to make this a consistent, appropriately applied process. He said these criteria are in the development stages. Staff thinks four levels are appropriate for any given category – in the case of Health and Safety, for example, the project would have little or no impact on Health and Safety or the project would have a negative impact on and get a score of one. If the project were a fire station it would be scored all the way down the line; "minor" health and safety improvements, "broader" improvements or is a project that would have a "major" impact on a lot of people, etc. Staff wants these to be meaningful with respect to what has been defined. He said that all Technical Review Team members would take each and every project and rank them individually.

Mr. Boyd this is where Mrs. McKeel's suggestion could go. You might ask if the fire station had an educational value and there might be some if part of the facility were used for teaching purposes.

Mrs. McKeel said no matter what is settled on, she would like this process to go forward as a pilot program because after the process is used it will likely need to be adjusted. Some of this will not be known until it is used.

Mr. Foley said this was developed based on research of other localities. The weighting is the best way to determine what is most important to the boards. He said "you can't look at pieces of this and pull it all apart because there is a system" but it does need to be tried out and tweaked. It will get the boards to a more objective analysis than was being used before. When the next CIP is presented to the boards for review, they will know there had been a rigorous evaluation. Staff encourages the boards to let this happen. Staff has received good feedback today.

Mr. Rooker said he would take Infrastructure out and put that 10 percent on Cost Impact on the CIP and Operational Budgets. Mr. Foley said staff discussed the same questions on infrastructure. He and Mr. Letteri agreed there is a difference between a core essential item and one that is a "nice thing to have." He said they probably should have used the term "core infrastructure" instead of just "infrastructure". It should have been more descriptive. If the boards feel strongly about this, it can be pulled out, but it may give more points to something that is super essential.

Ms. McKeel said she wants to try it as a pilot.

Mr. Dorrier said leverage should also be included. Mr. Foley responded that if a project leverages other funds, it would get a higher point on the rubric.

Mr. Koleszar said he feels uncomfortable treating all of these roughly as equal because there could be a public safety project that would save some lives, but because it doesn't meet other criteria it would fall below many projects. If for some reason a new school had to be built immediately, under the other categories it could come out lower than other projects. He is uncomfortable that there is no flexibility to deal with crisis situations. Mr. Slutzky agreed, but said that under the term "Special

Considerations" he might choose to weight a project more heavily. He realizes that these projects need to be weighted but he bets everyone in this room has a slightly different view of how they should be weighted. That is okay because each person comes to their board with a different set of ideas. It might be a useful exercise to ask each of the respective board members to weight the projects as they see fit and then have staff aggregate them, and that average blended weight would be the weight used in the first year of this experience.

Mr. Rooker said he does not have a problem with that suggestion. At the end of the day it's people that make these decisions. A computer can't make them based on the criteria set out and point rankings, etc. There will always be things to consider such as those Mr. Koleszar just mentioned where something has to leap up above other projects because it has demands that can't be articulated in point totals broken down among 10 different categories. This is just a way to let the committees be more effective. Mr. Letteri replied that with the sheer volume of projects and the amount of review and ranking that has to happen, this kind of tool is needed to make sense of it all. Staff needs to be sure it's in keeping with what the boards see as priorities.

Mr. Boyd said he is beginning to like what staff has presented because they are the rankings for the Technical Review Team which will rank the projects and provide reasons for that ranking. That will also greatly help the Oversight Committee in its considerations.

Mrs. McKeel said it is more objective and she likes it.

Ms. Mallek asked where a new field to be used by Parks & Recreation and also by the Schools would fit into the criteria. Mrs. McKeel said it would fit into the guiding principle that she recommended earlier. Ms. Mallek said it may be implied in the ranking criteria, but where would it fit. Mr. Letteri said it could get points in four or five different categories.

Mr. Letteri said staff will try to incorporate the suggestions received today, and this will be viewed as a pilot program this year. He said he would like to make a couple of comments about the CIP Oversight Committee. One of the things discussed by staff was that there be a clear reference to the adopted guiding principles of the boards, and a specific function be included so the Oversight Committee would review the ranking of the Technical Review Team to make sure it has been properly and appropriately applied. Each year the Oversight Committee will consider how the process has worked and whether there needs to be additional improvements. Lastly, staff discussed the composition of the Oversight Committee. Staff thinks two members from the Board of Supervisors, two members of the School Board, a Planning Commission member, and an at-large citizen member who can represent business would be the core committee, with staff serving in a support capacity. The staff members involved would include the two Assistant County Executives, two Assistant School Superintendents, and Mr. Letteri as facilitator.

Mr. Wheeler asked if there are big changes in the charter. Mr. Letteri said the changes are limited. There is language in the top paragraph which introduces the guiding principles. There are two bullets under that paragraph saying they will evaluate the ranking proposed, and they will review the project mix to make sure it matches with both the guiding principles and board objectives.

Mr. Boyd said something not addressed in the charter is whether there has to be a consensus opinion or a voted majority opinion. Mr. Letteri said staff discussed that, but kept getting stuck on the point that this is an advisory committee. It is not a committee with any real authority. As such it is not clear that a vote would mean anything other than to reflect the general thinking of the committee.

Mr. Boyd said he was thinking about how to resolve differences of opinion. Mr. Rooker said he thinks it would be helpful to the Supervisors to have that information in cases where there was not a consensus. Mr. Letteri said the boards charge to this committee is to reach consensus on any recommendation to go forward with a capital project. That is the charge.

Mr. Boyd said the biggest problem comes in the bullet where it says "the CIP conforms to the approved financial policies." If that is going to be an important aspect to the Supervisors, it is a self-limiting factor. Mr. Price said it's how the CIP conforms to those financial policies. If the issue comes up they can't just say there was a split of the members on that project. The projects will be ranked so a consensus is needed to do that ranking. Mr. Boyd said he understands that, but the last time the Oversight Committee passed its recommendations to the Supervisors, it didn't conform to the financial policies because in the fifth year of the plan they were outside of the financial parameters. Mr. Letteri said the Committee didn't achieve a $2.0 million reserve. Mr. Boyd said the policy established by the Supervisors requires that reserve.

Mr. Foley emphasized that these are general guidelines and are not a part of the County's financial policies. The plan that was put forward did comply with the financial policies. He said the reason there was difficulty during the last review was because it was a subjective evaluation process. The difference with this new process is that there will be a debate about how something is scored. It will make a difference as to what gets in front of the Supervisors for a decision. It doesn't mean there will not be disagreement on some things. This process will serve the Supervisors better when making a budget. That is another reason staff thought voting was not necessary. He said these principles and criteria are different, and they will move the process along knowing nothing is ever going to be 100 percent perfect.

Mr. Boyd said if saying "to ensure that the County CIP conforms to approved financial resources" is one of the charges to the committee that is fine. Mr. Foley said the recommendations will come to the County Executive's Office, and staff will have to put something together that conforms to policies with the revenues available.

Mr. Boyd asked about placeholders in the CIP. He said there are things contained in the CIP now that are purely placeholders. How are those to be dealt with? Mr. Letteri said those need to be reviewed and ranked again. Mr. Price said he thinks they would score low since their impact is not known. Mr. Rooker said he did not think there are any placeholders in the five-year plan. Mr. Boyd said there are such things as school sites. Mr. Rooker said if it were listed as "a site for a southern school" that is a defined project. It is just that the exact piece of property has not been identified. Mr. Letteri said as a technical matter, any project beyond the first year is just a plan. Mr. Boyd said some are, but some are multiple year plans. Mr. Letteri said that is one of the criteria. If it is a multi-year project that is part of a pre-approved project already underway, it is put back in the mix.

Mr. Rooker asked how projects which are a collection of separate items would be reviewed and ranked – such as fire and rescue capital items. In the last review there was an item of things lumped together for a total of $2.0 million. He had questions as to whether all of the items in that group were necessary. There wasn't really a good mechanism for making that determination. He said the Schools might have maintenance items lumped together that had an equally high total. He thinks the Technical Review Team should look at some of the discrete components of those items to be sure the pieces within are reasonable and meet some of the criteria.

Mr. Tucker said the CIP Technical Review Committee would be looking at those items. He said this discussion has been helpful for staff.

Mr. Wheeler commented that it was unclear to him in the memo which titles are School staff and which are Local Government staff members. Mr. Letteri said the Director of General Services is George Shadman, the Chief of Planning is David Benish, the Director of Building Services is Joe Letteri, the Senior Project staff person is Montie Breeden, the Management Analyst is Steve Allshouse, the Budget Analyst is Lindsay Harris and the Capital Program Manager who will chair the committee, and these are all Local Government employees. The Executive Director of Fiscal Services is Jackson Zimmerman who is with the Schools.

Mr. Foley said that he and Dr. Bruce Benson will work on balancing the composition of the group between Local Government and the Schools, but emphasized that some of these employees serve both the Schools and Local Government. Mr. Letteri said the intent here is to get professionals on the committee who can make judgments and apply the criteria meaningfully. Mr. Koleszar said that it would help to have the positions described in more detail within the charter.

Mr. Wheeler said he thinks Ms. McKeel's suggestions are worth considering. Mrs. McKeel agreed to circulate the language regarding reference to Schools in the CIP.

Not Docketed: **Access Albemarle Update**

Mr. Boyd said it has been decided to use a phased approach for implementation of Access Albemarle rather than doing it all at once. He said the Supervisors will use the new Access Albemarle software for the budget process this coming year. The School System will not be doing that. He said the category "fixed assets" has been under the new system for some time; previously it was a manual system. The next phase will include the general ledger, procurement, accounts payable management, grant management, miscellaneous buildings and receivables. Hopefully, those will go on the system before the end of this fiscal year. The final part will be Human Resources, payroll, taxes and revenues.

Mrs. McKeel asked about when the Schools would switch. Mr. Boyd said they will not be switching to Access Albemarle. Mr. Foley said there are some legitimate complicated issues involved, such as Federal reporting requirements, so they will try to have it ready for the next year.

Other Matters Not Listed on the Agenda. None.

Adjournment.

At 5:24 p.m., Mr. Price offered a **motion** to adjourn the meeting of the Albemarle County School Board. Mrs. McKeel **seconded** the motion, and the motion passed unanimously.

The Board of Supervisors continued their meeting and adjourned at 5:50 p.m.

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Chairman

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Clerk