A Special Meeting of the Albemarle County School Board was held on December 15, 2010 at 4:00 p.m., Room 241, Albemarle County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

SCHOOL BOARD MEMBERS PRESENT: Mr. Stephen Koleszar, Ms. Diantha McKeel; Mr. Harley Miles; Mr. Ronnie Price; Mr. Eric Strucko; and Mrs. Barbara Massie Mouly.

SCHOOL BOARD MEMBER ABSENT: Mrs. Pamela Moynihan.

SCHOOL BOARD STAFF PRESENT: Dr. Pam Moran, Superintendent, Dr. Bruce Benson, Assistant Superintendent for Planning and Operations, Dr. Billy Haun, Assistant Superintendent for Student Learning; Mr. Jackson Zimmermann, Executive Director of Fiscal Services, Ms. Annie Kim, Senior Assistant County Attorney; and Ms. Jennifer Johnston, School Board Clerk.

BOARD OF SUPERVISORS PRESENT: Mr. Ken C. Boyd, Mr. Lindsay G. Dorrier, Jr., Ms. Ann Mallek, Mr. Dennis Rooker and Mr. Rodney Thomas.

BOARD OF SUPERVISORS ABSENT: Mr. Duane Snow.

OFFICERS PRESENT: County Executive, Robert W. Tucker, Jr., Mr. Tom Foley, Assistant County Executive, Mr. Bryan Elliott, Assistant County Executive, County Attorney, Larry W. Davis, Senior Deputy Clerk, Meagan Hoy.

Agenda Item No. 1.1. Call to Order.

At 4:01 p.m., Ms. Mallek called the meeting of the Board of Supervisors to order. Mr. Koleszar, acting as the chair, called the Albemarle County School Board to order.

Mr. Tucker thanked Mr. Pat Mullaney for the outstanding leadership he has provided in Albemarle County’s Parks and Recreation Department. He stated that Mr. Bob Crickenberger and other employees have been assisting with the many departmental accomplishments. He then recommended the appointment of Mr. Crickenberger as the new Director of Parks and Recreation effective January 1, 2011 following Mr. Mullaney's retirement. Mr. Tucker pointed out that Mr. Crickenberger has been employed with Parks and Recreation since 1974 and has served as Deputy Director since 1990, where he has managed the day-to-day operation of the department, and assisted in the preparation of the annual operating budget and control of expenditures and related revenues.

Ms. Mallek offered a **motion** to appoint Mr. Bob Crickenberger as Director of Albemarle County Parks and Recreation effective January 1, 2011. Mr. Rooker **seconded** the motion. **Roll was called, and the motion passed by the following recorded vote:**

AYES: Mr. Thomas, Mr. Boyd, Mr. Dorrier, Ms. Mallek and Mr. Rooker.
NAYS: None.
ABSENT: Mr. Snow.

Motion carried by a 5:0:1 vote.

Mr. Koleszar expressed his appreciation on behalf of the School Board to Mr. Mullaney and the cooperative working relationship he has fostered between local government and the schools.

Ms. Mallek said that at its meeting this past Monday, the Board appointed Mr. Bill Kittrell as the White Hall District representative on the Albemarle County Service Authority. Mr. Kittrell is a biologist by training and an environmentalist by nature and vocation. Ms. Mallek commented that Mr. Kittrell will balance the needs of the people and the rivers in the County’s challenged watershed. Mr. Kittrell is Director of Conservation Programs for the Virginia Chapter of The Nature Conservancy. Mr. Kittrell provides management of and guidance for the

Conservancy's state-wide conservation staff and programs including conservation planning, land and water management, research, outreach and other innovative ecosystem conservation programs, Mr. Kittrell has been the lead negotiator on numerous complex conservation deals and has been involved with water resource planning, protection, and conservation programs. Ms. Mallek said that Mr. Kittrell is a native of Greenville, NC, and received degrees in biology and economics from UNC-Chapel Hill; he now lives in Crozet with his family. She is excited that Mr. Kittrell has agreed to serve on the Albemarle County Service Authority.

Mr. Boyd offered a motion to approve the Board of Supervisors consent agenda. Ms. Mallek **seconded** the motion. **Roll was called, and the motion passed by the following recorded votes:**

AYES: Mr. Thomas, Mr. Boyd, Mr. Dorrier, Ms. Mallek and Mr. Rooker.
NAYS: None.
ABSENT: Mr. Snow.

Motion carried by a 5:0:1 vote.

Agenda Item No. 2.1. Access Albemarle Update.

Mr. Foley said that staff would provide a brief update on the Access Albemarle project, which the staff has been working on for several years. He said that the project has a process-owners group that includes Mr. Boyd and Mr. Koleszar as well as the Superintendent and County Executive. There are also joint committees of school division staff and local government staff that are working on and overseeing the project, and providing guidance as it proceeds.

Mr. Foley stated that the first goals of the project are focused on the replacement of the mainframe system and moving to a server-based environment so that there is more flexibility and adaptability for new software. The goals include standardizing business operations in a server based environment; integration of key business systems; improving operational efficiency (reducing paper flow, removing duplicate data entry, removing/reducing redundant systems and process steps, reducing time to process reports); improving access to data; providing "real-time" data analysis to desktops; and providing for data driven decisions
.
Mr. Foley said the scope of the project is broken down into three major phases:

Phase 1: Key Financial Management Systems
- Fixed Assets
- Purchasing
- Accounts Payable and Receivables
- Budget
- Annual Budget Management
- Budgeting Development
- Financial Reporting

Phase 2: Human Resources and Payroll
- Employee Management
- Compensation
- Benefits

Phase 3: Revenue & Tax Collections

He reported that as part of the "Key Financial Management Systems", fixed assets, centralized purchasing, accounts payable, accounts receivable, and components of the budget and financial reporting are all currently in use. Regarding the budget, Mr. Foley said, basic budget development and reporting for local government is in place and is being used for preparation of this budget, with delineation between basic budgeting and enhanced levels of budget analysis that continue to be refined. He stated that the highest level of that use will not come into play until the next budget cycle, but the departments have all entered their budget and the Office of Management and Budget is doing analysis that will be provided to the Board during its budget process. Mr. Foley stated that the annual budget management activity needed by departments is almost complete, with a few final pieces such as the integration of the monthly amendment process and a detailed account activity report for departments. In terms of final work that is in process – enhanced budget development and reporting – can be done now, but having those fully work within the new software is still in the development phase. He anticipates being in a position to use that function in the next budget year. He emphasized that the most challenging aspect of this project is the unique needs of the school division - tracking expenditure data at a different level, coding, etc. Staff decided to wait until the local government budgeting piece was complete so it can be built upon to achieve the school division's needs. Mr. Foley noted that staff is also hopeful to be able to complete this before the next budget cycle, as the schools traditionally start their budgeting process in August. He added that the core business functions of County government are on the new system and working well.

In terms of the project status for the other phases, Mr. Foley reported that the processes for "Human Resources and Payroll" have begun. Payroll, including required HR modules, plans to cut the first checks on the new system in April. The system is currently in the design and configuration process. There are some core-related HR benefits tracking items that will be done as part of that timeframe. He stated that some of the more complicated issues related to the HR system would be completed by July 1, 2011. Some Finance and HR staff has been to other localities to look at best practices and how they track expenditures and benefits. Mr. Foley mentioned that staff may come back to the two Boards with some potential policy changes or changes in business practices. They will start with the process owners group to discuss some options they may want to consider for change in processes. He added that they have previously discussed the 10-month and 12-month payroll cycle, for teachers in particular, along with the possible advantages of using direct deposit and bi-monthly paychecks. Mr. Foley added that if there are any significant policy changes, they will come before the Boards for consideration. Mr. Foley stated that the process for "Revenue and Tax Collection" is beginning with a target completion timeframe of the end of calendar year 2011. Staff is considering software packages that might work best for the County's operations.

Mr. Foley said staff has made substantial progress in the last year. There still are a few challenges but that is typical for a project of this size. He added that over the last two to three years the County has not spent any additional money on the agreement with Microsoft, as the company agreed to bring the project to a close successfully without any more costs. Staff is put a tremendous amount of time into this project. Mr. Foley said that some of the County's consultants are onsite this week to work and help bring it to completion, along with some key staff members who have been working extremely hard.

Ms. Mallek asked if the data would be configured in a way so that an interested citizen could capture certain parts of it. Mr. Foley responded that the eventual goal is to improve access, but the first part of the process is what is being done now. He added that as financial reports are presented to the Board and approved, the information and certain levels of data will be accessible to others.

Mr. Price pointed out that there will definitely be some efficiencies gained, especially in Human Resources, but confidentiality is a concern given the prevalence of hackers. Mr. Foley concurred.

Agenda Item No. 2.2. Capital Improvements Program.

Mr. Bill Letteri, Director of the Office of Facilities Development, said that this meeting is part of the annual CIP review process, beginning with requests from departments and agencies over the summer, which are reviewed carefully by the Office of Facilities Development then forwarded onto the Technical Review Team where they are ranked and evaluated for appropriateness and inclusion in this year's amendment cycle. He explained that the TRT then presents a recommendation to the Oversight Committee for a balanced Plan, based on available revenues and resources. The Oversight Committee meets and discusses the degree to which these projects and the Plan conform to the policies and goals of the Board. He added that two Board of Supervisors members, two School Board members, a Planning Commission member and a citizen at-large serves on the Oversight Committee. He then presented the Boards with the recommendations for the CIP.

Mr. Rooker noted that rates for long-term treasuries have gone up quite a bit over the last three months. Mr. Letteri responded that now is a good time to be borrowing. Albemarle has traditionally assumed a seven-year amortization schedule on heavy equipment such as fire engines, but peer localities around the country use a 10- or 12-year amortization, so the County has adopted that instead. Mr. Thomas asked how maintenance might increase for apparatus over those additional three years. Mr. Letteri replied that maintenance is paid for through operations, not through capital. He added that he would be discussing that point in his presentation when talking about apparatus replacement.

Mr. Letteri then continued with the presentation.

Mr. Rooker asked about the schedule for the Greer project. Mr. Letteri replied that in order to get the project bid this summer, they would have to begin immediately with the design. Mr. Rooker commented that the bid should go out as soon as possible given the current giving climate. Mr. Letteri agreed. Mr. Boyd asked if they designed it in phases, instead of both phases at the same time. Mr. Letteri responded that it was designed conceptually, but the County did not proceed with the actual working documents that allow the work to be bid. He stated that they did not want to spend the money to actually design the final drawings until they knew they were going to do the project.

Mr. Boyd asked why the Old Jail project is still in the Plan, as it could not have scored very high on the Committee's prioritization schedule. Mr. Letteri replied that the funding is only for maintaining the building in the most basic sense, to ensure that there is no water infiltration or other damage, and does not include any restoration.

Mr. Letteri said that in the area of apparatus, the Committee had proposed adjustments that leveled those costs out somewhat, with a few years added to amortization, which might increase maintenance costs for those later years. Mr. Thomas said that it was discussed at the last ACFRAB meeting, and they have switched a few vehicles around in the priority list. Mr. Letteri added that the Oversight Committee is recommending some policy revisions for apparatus. Mr. Rooker mentioned that that is not really a change from last year; the items have just been moved around.

Mr. Rooker asked about the ultimate disposition of the Old Crozet School, stating that it would be wise to consider that prior to spending $200,000 on improvements there. Mr. Letteri responded that that is why the item is pushed out a year in this Plan, in order to provide some additional time to evaluate its placement.

Funding for Libraries are maintenance only, with much of it being joint agreements with the City to maintain the jointly owned libraries and smaller expenditures for other County libraries. He stated that the Plan includes continuation of running the County's server and all necessary equipment to run technology operations. Storm water is maintained at the $100,000 level, which is reduced from previous years. Ms. Mallek asked if that amount was just a placeholder, or an actual expense to maintain the facilities already in existence. Mr. Letteri explained that there is a series of storm water projects and areas that have been identified as needing work. There is an accumulated balance from past few years as well as additional amounts coming forward in the few years ahead.

Mr. Rooker asked for an explanation of the terms, maintenance, and replace financed in the School Division's CIP request. Mr. Letteri explained that many of the schools' maintenance projects are quite large and have useful lives of more than 20 years and are appropriate for financing. Those projects include major component replacements such as HVAC systems, roof systems, major inside renovations, etc. He added those are the ones they have tried to capture and finance. They try to use the $500,000 to address the series of projects that are not so long term in nature.

Mr. Rooker commented that within the $2.9 million for FY12 there is a list of projects with estimated amounts. Mr. Letteri responded that that was correct. He added that each school and local government goes through a cycle periodically of a full assessment of facilities, sometimes with engineers going through to document the conditions. Timing/cost of renovations are then prioritized.

Ms. Mallek asked when that full information including background would be provided to the Board. Mr. Foley stated that the information is typically provided with the presentation of the budget document, but it can be provided sooner if the Board desires. Mr. Letteri said he can provide as much in-depth information as Board members want. Mr. Letteri said that direct costs for project management fees are paid out of capital.

Mr. Letteri mentioned that some notable decisions the Technical Review Team and Oversight Committee had to make to balance this plan include the following: 1) reducing the Old Crozet School from $800,000 to $200,000; 2) moving the North Garden fire-engine truck acquisition from year three to year four; moving the Crozet fire-engine truck acquisition from year three to year four - acknowledging that it would increase the cost of the equipment because of inflation and may result in more maintenance costs; and consolidating the County Office Building mortar/brick re-pointing which he thinks will save a considerable amount of money. In terms of unfunded submissions, Mr. Letteri noted that the TRT considered the Crozet Library project to be an emergency, and thus the project qualified for inclusion in an amendment year; however it was not funded in the program. Mr. Letteri said that there were other projects considered by the TRT, such as the library projects, a series of school projects such as gym floors, and the ACE Program. He mentioned that some of the projects from prior years include identified needs that will be a reality in the next five or ten years, including public safety projects, public works projects such as windows in the County Office Building, security improvements, recycling centers, and the whole area of Community Development, such as roads and street lights, which have not been funded over the last few years and are not slated for funding in the next five years. Mr. Letteri reported that there were a number of park improvement projects that were suspended that remain on hold, with only maintenance currently being done on parks. He stated that the Support Services Complex for the schools has been deferred but remains a need, and there was also an Intergenerational Center project last year that was deemed viable but not funded. Mr. Letteri said that staff would be coming back to the Board in January to discuss the Levy project, as well as overall needs to address the General District Court and Circuit Court operations.

Mr. Koleszar said that when the CIP started, the School Division was not anticipating the enrollment growth that it is now anticipating, so in the next non-amendment year there will probably be a need for school additions or new schools that are not reflected in this plan. In the cycle of the CIP that data was not available.

Mr. Boyd asked about the status of the Greenway Program, noting that there was already money available for portions such as the stretch at Pantops. Mr. Letteri responded that those are still planned, but they have not advanced to a point where the County is ready to proceed. Ms. Mallek commented that she thought those projects were already underway.

Mr. Boyd said the Central Library renovations are a joint endeavor between the County and the City, and asked if there would be some push back on that project. Mr. Letteri responded that the entire project cost was approximately $14.0 million and at the time it was determined that more study was needed to address the issue of Administration, including the possibility of moving the Administrative office to the North Library. He added all of these discussions remain unresolved and need to go forward.

Mr. Elliott noted that regarding the greenways, there is funding available in the CIP for some bridges for the trail in the Pantops area, but if that is all used for bridges there will not be any remaining funds available. He also said that staff is hoping to wrap up the library analysis in January and have a work session with the Board in early February. Mr. Boyd said that he recalls the contention encountered last year when reduced library operating funding was being considered by the Board. Mr. Elliott responded that that is why staff wants the work session to take place during the beginning of February.

Mr. Letteri reported that other recommendations from the Oversight Committee include the apparatus replacement policy. There was a strong sense that a strict set of criteria needs to be followed, including the length of time that equipment should be used and replaced and a rotational analysis where equipment with lower mileage may be transferred to another division. In general, the Oversight Committee felt that a policy statement should be developed and they will work with ACFRAB to develop a written policy that conforms to this recommendation.

Mr. Boyd said that volunteer fire departments do not seem to want to consider equipment rotation, but it is important for the Board to know what the cost of fleet rotation will be. He suggested that staff put together some information about how other units handle this and the potential cost savings.

Mr. Foley stated that the Oversight Committee felt strongly about a policy to give some direction, recognizing that there would probably be some opposition to that. He added that it will be a challenging issue to work through, but that does not mean they will not be able to work through it.

Mr. Letteri said that it has been a long-standing priority of the Board to fund maintenance programs. There has been discussion about creating this area as its own functional category in the CIP plan, so all functional areas would be grouped together in terms of just core maintenance on existing facilities, which would enable the staff to see it is a rising priority and provide a view of needs over time. Mr. Dorrier asked if maintenance was outsourced. Mr. Letteri replied that a lot of projects that are included in this funding are hired as contract workers, but most of the facility maintenance done internally is handled through operation budgets from General Services or Building Services. Mr. Foley said a lot of the work is contracted because there is not staff available to do it.

Mr. Rooker said that he would like to know what the differential would be if an equalized tax rate were adopted, and what could be accomplished if the additional revenues were leveraged. Mr. Strucko asked if those additional funds would be subject to the 60/40 split with a portion of the differential going to schools for operations. Mr. Rooker said if it were not in capital, it would be increased revenue and subject to the 60/40 split.

Mr. Rooker emphasized that there is an opportunity to bid projects now at a cost of 25% to 30% less than five years ago, and perhaps five years into the future. Mr. Boyd said he has no problem with doing that, but he would like to revisit a bond referendum on the Board of Supervisors side to fund the projects that are not getting done, and therefore let constituents decide on these projects. Mr. Rooker responded that going to a bond referendum to get $25.0 million in bonds does not pay for the debt service on those bonds. Mr. Boyd said that it does if a tax rate increase is tied to it. Mr. Rooker pointed out that he is not aware of tax increases being tied to referendum. Mr. Foley explained that the Board has the choice to do that, and it is common practice to ask constituents whether they support a tax increase in order to pay for the projects. He said that in other localities, they put it out and say this is the best way to finance it without revealing a tax increase as part of it. He said that all of these things would be coming to the Board in a January work session. Staff will provide a broad scope of options for the Board to consider.

Mr. Strucko said that if the assumption is that 100% of the differential goes to capital, then the schools are kind of cut off from considering operational needs that may be more of a priority. Mr. Rooker responded that the Board has not seen the Schools' budget yet, but this CIP budget is built upon the assumption that the rate is not going to change, as is the five-year financial plan. He is just putting this idea out for discussion at this point. He also said that having approval given through a bond referendum does not necessarily mean a locality would raise taxes. Mr. Boyd stated that there is some risk in doing that because the voters could vote down the building of a new elementary school, which then means having to go another route for financing.

Mr. Foley commented that it is critical that the Board consider the whole approach, as an essential facility that gets turned down, such as a court that a Judge has mandated should not be put on a referendum.

Ms. Mallek pointed out that extra money into capital would certainly help with school projects in the next year, so it is not like they are not already getting a huge investment. Mr. Rooker said that building a new school means new operational expenses that go along with it.

Ms. McKeel said that they are looking into a policy that says there should be some percentage kept in a fund balance, with anything over and above into capital. She noted that the School Board has not really had time to discuss that yet, but it is something they recognize as a possibility. Mr. Rooker commented that it is a similar structure to what the Board has established.

Mr. Dorrier mentioned that Greer School was noted to be an emergency item, and asked if it still has that status. Mr. Strucko responded that the conditions at that school are poor and it remains a priority.

Mr. Foley stated that a School Division policy could be significant in funding the CIP, just as the County's end-of-year balance beyond meeting targets for reserves that have to be maintained.

Mr. Boyd commented that there are different kinds of fund balances to be maintained, with the large one on the local government side being for cash flow needs.

In conclusion, Mr. Letteri said that it might make sense to consider isolating the maintenance issues to establish a consistent funding level and maintain levels that are consistent with industry standards based on square footage. He added that these recommendations will be further evaluated. They are continuing to look at debt strategies, what is being funded with cash, and what is being borrowed and when. This information will be taken to the Planning Commission in January and then forwarded to the County Executive's office with a final recommendation in March. There will also be an additional work session in January where they can take a broader look at the capital fund about funding strategies.

Mr. Rooker asked how long rates are set on the current debt, such as what was borrowed last year. Mr. Letteri responded that the County is locked into a 20-year term for that money. He added that all rates are fixed rates. Mr. Foley added that the majority of the County's debt is to VPSA for school projects, and they do a periodic refunding that goes back into the CIP. The County's Financial Advisors have also looked at any debt the County has issued separately through an EDA refinancing such as facilities at 5th Street. In the spring staff will be coming to the Board with a refinancing of some debt which will maximize opportunities for the next several years.

Ms. Mallek asked if VRA has penalties. Mr. Foley said he does not think the County currently has any financing through the VRA, but continues to look at it as an option.

Mr. Boyd asked Mr. Letteri if he was asking for a consensus regarding Greer to go to design. Mr. Letteri said staff would like for an acknowledgement as that being a strategy to move forward. The funds for design have been appropriated, but action was suspended until they had a reasonable assurance that they were going to proceed. Mr. Rooker said he supports the plan to move forward with bidding out the design work needed for the project. Other Board members concurred.

Agenda Item No. 2.3. Virginia Retirement System Plan Change: Resolution to Authorize Pickup of Employee's VRS Contribution.

Ms. McKeel offered a **motion** to adopt the proposed resolution authorizing Albemarle County to pick-up the five percent member contribution for VRS Plan 2 employees effective July 1, 2011. Mr. Miles **seconded** the motion, **and the motion passed.**

Ms. Mallek asked how many new hires would be impacted. Mr. Price responded that very few had been hired.

Mr. Rooker commented that he thinks this will all become a moot point because legislation will likely be passed that requires employee's to pay their share.

Agenda Item No. 3.1. Other Matters Not Listed on the Agenda.

Mr. Rooker thanked Mr. Price for his service on the School Board. He said that it is a loss to the community to have Mr. Price leaving.

Agenda Item No. 4.1. Adjournment.

At 5:13 p.m., Mr. Rooker offered a **motion** to adjourn the Board of Supervisors meeting until December 21, 2010, 12:00 Noon, Room 241. Mr. Boyd **seconded** the motion. **Roll was called, and the motion carried by the following recorded vote:**

AYES: Mr. Thomas, Mr. Boyd, Mr. Dorrier, Ms. Mallek, and Mr. Rooker.
NAYS: None.
ABSENT: Mr. Snow.

Mr. Strucko offered a **motion** to adjourn the meeting of the Albemarle County School Board. Mr. Koleszar **seconded** the motion, **and the motion passed.**

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Chairman

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Clerk