A Special Meeting of the Albemarle County School Board was held on October 10, 2012 at 3:30 p.m., Room 241, Albemarle County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

SCHOOL BOARD MEMBERS PRESENT: Mr. Stephen Koleszar, Mr. Jason Buyaki, Mrs. Diantha McKeel, Mr. Eric Strucko and Mrs. Barbara Massie Mouly.

SCHOOL BOARD MEMBER ABSENT: Mrs. Pamela Moynihan and Mr. Ned Gallaway.

SCHOOL BOARD STAFF PRESENT: Dr. Pam Moran, Superintendent, Mr. Billy Haun, Assistant Superintendent for Student Learning, Mr. Josh Davis, Chief Operating Officer, Mr. Jackson Zimmermann, Executive Director of Fiscal Services, Ms. Lorna Gerome, Director of Human Resources; Mr. Chris Brown, Senior Assistant County Attorney, and Ms. Jennifer Johnston, School Board Clerk.

BOARD OF SUPERVISORS PRESENT: Mr. Kenneth C. Boyd, Mr. Christopher J. Dumler, Ms. Ann Mallek, Mr. Dennis S. Rooker, Mr. Duane E. Snow and Mr. Rodney S. Thomas.

BOARD OF SUPERVISORS ABSENT: None.

OFFICERS PRESENT: County Executive, Thomas C. Foley, Assistant County Executive, Bryan Elliott, Assistant County Executive, Bill Letteri, County Attorney, Larry W. Davis, Clerk, Ella W. Jordan and Senior Deputy Clerk, Travis O. Morris.

Agenda Item No. 1.1. Call to Order.

At 4:06 p.m., Ms. Mallek called the meeting of the Board of Supervisors back to order. Mr. Koleszar called the meeting of the Albemarle County School Board to order.

Agenda Item No. 2.1. Additional Uses for B.F. Yancey Elementary School.

Mr. Elliot provided the Board with information on considerations for additional uses for B.F. Yancey Elementary School. The information included background information on the work of a previous task force approximately six years ago that looked at the needs in the Esmont community including a feasibility study on developing an intergenerational center in the area. This item was scheduled for consideration by the two Board's regarding the potential formation of a community committee to explore service needs in the southern portion of the County, with a particular focus on the feasibility of utilizing Yancey Elementary to address those needs, in addition to its continued use as an elementary school.

Mr. Koleszar noted that the School Board voted to do the essential repairs and maintenance at Yancey to maintain that as a school, and reaffirmed its commitment to continuing use of the facility as a school. He said that the School Board is considering additional funding for refurbishment, possible expansions, redoing the library, etc. – and the School Board felt it should defer action on that until exploring the other possibility.

Ms. Mallek asked if the School Board anticipated expansion of the footprint if the other uses were accommodated, or if the other uses would use classrooms after hours. She asked how the uses would mesh together. Mr. Koleszar responded that any activity taking place during the school day would require additional building, but in the evening the classrooms, gym and other parts of the school could be used – including a possible enhancement to the library. He said that during the summer, they could fit in with other services and hopefully by combining them they would minimize costs. Ms. McKeel said that expanding the media center to co-locate libraries for the community would mean that renovation at Yancey would require some parameters that allowed citizens to enter on nights and weekends, but not necessarily be able to access school classrooms and buildings. She added that there would have to be thoughtful design. Ms. Mallek said that this would not be for an expansion of the JMRL library, but would be used for meetings. Ms. McKeel responded that they were talking about having a satellite library space for the southern feeder part of the County, if that came out of the workgroup.

Mr. Buyaki said that the library would need staff during after-school hours and weekends, and JMRL could possibly take that on. Mr. Koleszar said they could possibly also take on senior services.

Mr. Snow stated that he appreciates the attention to community needs, but what he wants to see come out of this discussion is a clear, concise statement that reflects a commitment from the School Division that the classrooms are refurbished and brought up to the standards of other schools. He said that he would also be willing to have a committee look into the feasibility, cost, and potential liabilities for going this route.

Ms. McKeel emphasized that there is concern that the School Division is trying to "flip the school into a community center," but said that is not what they are trying to do. She said that if they are going to spend money on refurbishing the media center and the building, they will probably need to expand the footprint. They do not want to come back in a few years with a need to make further changes. She is happy with making a strong statement from the two boards that they want Yancey to remain a school and that the focus should be education. Mr. Snow said that he agrees about putting off the media center and the library, but there are some upgrades to the classrooms that could start sooner. Mr. Rooker said that the School Division has already approved some investment in the facility as a school, but that has not gone through the CIP Committee yet. Mr. Koleszar responded that two pieces of it were in the CIP, and one was added. Ms. McKeel stated that those would go through the review committee in the upcoming session. Mr. Rooker said there is no recommendation right now from the School Board to do other things to the building beyond what has been put forward. He said that he is not prepared to vote on some undefined modifications to classrooms at Yancey when there is no specific proposal. It has not gone through the School Board, it has not been recommended by the School Board, and it clearly has not gone to the CIP Committee. Mr. Snow said that he was not indicating that should be done in next year's project, but it needs to be a priority and needs to be advanced to the next step.

Mr. Strucko said that the committee also needs to acknowledge some of the history of the building. The school has faced capacity issues because of the septic system. The School Board's recommendation to the Board now is to repair the roof, repair the heating and cooling unit, and purchase two parcels of land adjacent to the school to expand the septic capacity. He does not know what the septic capacity might do in terms of limiting additional activities. According to the School Division's long-range plan, the school is scheduled to grow a little bit, so as other services are planned they need to keep in mind that additional enrollment.

Ms. Mallek asked if the School Board has considered septic system alternatives such as the Living Machine, which is used in larger facilities. Mr. Davis stated that the School Division's Building Services Department did look at the alternative septic system and found that it would be more costly in this particular application – at least $100,000 more, even with buying the land. Mr. Strucko said the landowners are very willing to sell that land at a reasonable price.

Mr. Koleszar asked Mr. Davis to speak to the capacity issue. Mr. Davis responded that it was well above the capacity for 170 students, so it could certainly take some additional facilities if they were added. Mr. Boyd asked how many students currently attend Yancey. Mr. Davis stated that there are 132 students there now. Ms. McKeel said that their data shows the enrollment to climb to 168 students by 2020, and then in the long term it really gets fuzzy. She stated that the current building capacity is 135 students, without the two trailers.

Mr. Dumler said that the discussion is getting far off track from the idea they were going to discuss, and from the few people he has heard mention it there does seem to be support for a committee. He stated that the mission of the task force should clarify that they are not looking for an alternative to Yancey, but to insure its' success and to build on opportunities there. The focus now should be on what shape that committee will take, the stakeholders, and who else needs to be invited to the table. Mr. Boyd expressed concern about managing expectations. There has been a lot of discussion about the intergenerational concept for the last 10 years. He emphasized that they have never decided at either board level to fund it, and that is the decision to think about before starting down a path and doing a study. Mr. Dumler asked who convened the intergenerational committee back in 2008. Ms. McKeel said that JABA played a large role in that, along with other groups. Mr. Rooker said that the group has not looked at the plan for a school facility. The report was just a needs study for southern Albemarle – and at that point they were looking to build another facility, but determined that the timing for raising money was not good. He stated that part of what they are trying to discuss here is to find a way to upgrade the facility where the cost per student is reduced because some of it is borne by other activities. Previously they talked with the Jefferson Institute of Lifelong Learning when Albemarle High School was undergoing expansion, and those talks went a pretty good distance, but for whatever reason it did not exactly mesh in terms of the timing, parking availability, utilization of space, and what they were willing to pay for space. He understands Mr. Boyd's point about spending a lot of time on a committee, only to have them come back with a concept that may not be feasible. The question is how to answer that basic question before spending a huge amount of time and effort by a committee before taking this study forward with respect to that particular facility. Ms. McKeel noted that both boards have talked before about the ability of County government and Schools to co-locate libraries together so they can use them as facilities that are available to community members in areas where there are not libraries. This would be a perfect opportunity as a time to be able to look at that model and see if they cannot make that model work. She suggested letting the group go forward and coming back with some thoughts. Mr. Boyd said that he does not disagree with that suggestion, but he does not want to start from scratch as there have already been groups studying these issues – such as Mr. Rooker's example with JILL. He stated that he would like to see a report on what has been done in the past. Ms. McKeel responded that what they would do at Yancey might be entirely different than what was done at Albemarle, and a staff report of the history would not at all address what a committee might come up with in this situation. Mr. Boyd said then in lieu of that, he would like to see examples of those co-located facilities in other parts of the country. Ms. McKeel said that information can be provided.

Mr. Rooker said that he thinks it is an excellent idea, but they want to ensure they are approaching it in the most efficient way and not sending people off down a cul-de-sac that is not going anywhere. Mr. Snow said that it sounds like they are in general agreement on the idea, and they just need to address the structure and expectations of the committee. Mr. Strucko said they do need to proceed with caution though, as there was a heated School Board meeting about whether it was an appropriate investment to pour money into a school that has 130-170 students. He said that is the kind of the commitment that he would hope the two boards would agree to. Yancey should not be the only school that has conditioned on it the existence of a partner before they pour capital money into improving it; that could be argued for the other schools where the School Board is considering doing additions or significant renovations. He said that if there is an opportunity to have another organization co-locate there and they could save money for that organization and be a benefit for the school that should not be turned down. He added that in subsequent years when the boards starts looking at capital projects, is there going to be a different standard placed on Yancey as opposed to other schools when they look at cost per student because of its size.

Ms. McKeel said that one program that has been suggested for Yancey is a Bright Stars Program. If they wanted to co-locate that program as one of the expanded opportunities at Yancey it would not be singling out Yancey for something the School Board has never done before. She added that the School Board has talked for years about co-locating library facilities, and no one is saying that Yancey's survival is contingent upon these partnerships. They are simply saying that the timing is right and they could make this into a model that could be a wonderful opportunity for Yancey and the southern feeder pattern communities.

Mr. Boyd said that there are two different objectives here – one related to how to use Yancey, and one coming up with a model for how to look at expansion. Mr. Rooker stated that it may be difficult to justify a significant investment in a media center for 130 students, but if it serves a dual purpose for the community the investment overall may be considered reasonable. He added that he just wants to make sure they are not getting the cart before the horse. Any specific recommended projects could get funded if they have a priority status from the CIP Committee.

Mr. Boyd said that if they are going to form a committee that committee should develop a list of criteria for what to look at when expanding or building a school – and how they evaluate whether it is beneficial to expand in a way that accommodates other uses.

Mr. Dumler said that who they invite to the table is very dependent on the needs of the area. Ms. McKeel agreed. Mr. Rooker stated that this particular committee needs to look at the southern area, the facility that is there, the size of the acreage available, and then determine what can be done there.

Ms. Moynihan commented that they have a limited pool of money and a large community. The School Board has made a commitment to Yancey – to fix everything needing fixing right now – and they have looked at the CIP and rank ordered what it feels is important for the community. There is a misconception in the community that somehow the School Board feels that Yancey is unimportant, and that is not the case. On the other hand, the School Board has made other CIP commitments and there is only so much money. There are too many students at places like Agnor-Hurt, and that needs to be fixed. Down the road, the School Board is going to consider what needs fixing in other places based on the pool of money it has. She is not against forming a committee, but they have had several committees formed. The School Board knows what needs to be done at Yancey. She is in favor of taking care of priorities first, not that Yancey is any less of a priority. Ms. Moynihan said that she is supportive of locating libraries in elementary schools if that is what the community wants and everyone agrees that is what the community needs, but it must be done in context with everything else that is best for the community. Mr. Rooker commented that that is what the CIP process is for.

Ms. McKeel said that there may be pieces of a community center that could go in the building, and it would involve public/private partnerships and grant money. Ms. Moynihan emphasized that it has to be done in its time, and the School Board is already pursuing what needs to be done right now, today.

Mr. Snow said he thinks everyone can agree that they are doing what needs to be done now. Where they are now is to saying what needs to be done for the future, take steps to form the committee and start looking at the different elements that can be brought together. Mr. Strucko said that the explanations are important to the Esmont community because Yancey has been the subject of conversations regarding closure and consolidation – so the intent of this body is to keep it an elementary school and find innovative ways to produce capital to improve the facility.

Mr. Dumler stated that what he is hearing is something being built from the 2008 study done on southern Albemarle, while being mindful of the preservation of Yancey as an elementary school. He said that the boards are intending to commission a task force to look into needs that were not identified in the 2008 study as well as opportunities that exist to leverage public/private partnerships, other grants, etc. – and not just relying on the County's CIP process. Ms. McKeel said that report would be brought back to both boards.

Mr. Strucko said that being able to use Yancey would also benefit the 501(c)(3) by putting their fundraising goal more in reach, leveraging space in the existing facility – and the school benefits with extra classroom space that could be taken off the CIP list.

Ms. McKeel commented that Mr. Gordon Walker would love to have this conversation. He is interested in starting an intergenerational educational commitment at some point if the school system could move forward with it.

Mr. Snow suggested going ahead and look at forming a committee.

Ms. Moynihan said that if JABA or another group is willing to provide money to help build that facility, no one would object, and if that is what they are looking for as an intergenerational facility with split uses of course it would be welcomed.

Ms. McKeel asked if everyone agreed with Mr. Dumler's mission statement. Mr. Rooker responded that he does, but said they want to look at the uses already considered, not just new ones. The idea is to do a focus on Yancey as it may be expanded to determine whether or not they could envision a mutually beneficial use of the school – to which they could bring some capital investment to the table. Regardless, whatever is recommended has to go through the CIP process.

Mr. Elliott suggested having staff take away from today's meeting and formalize what Mr. Dumler has put forth as a mission, and then come back to both boards with a printed charge that everyone can agree to – as well as a suggested roster for membership on the committee. Board members agreed. Mr. Foley said that he would like for suggestions as to the representation of that committee. Ms. Mallek said if there are some members from the SEIC, that would be helpful, but she does not want to stop with just that composition. Ms. McKeel suggested JABA, DSS, and someone from the Chamber of Commerce as they have been very active about promoting the Bright Stars programs. Mr. Dumler said that the Boys & Girls Club should be included. Mr. Strucko said they should have community members, as it is a very active and engaged community. Ms. McKeel said they should have local government and school staff, but devoid of elected officials. Mr. Rooker said that there should be someone on the committee with experience in facilities design so they can come up with realistic approaches.

Mr. Boyd said they have not gone through the CIP process yet, but he is hearing a commitment from the School that a high priority item is improvements to Yancey School, some of which are already in the CIP. He reiterated that they already know that they will not have enough money for every project in the CIP. Ms. Moynihan said that this was exactly her concern, as that was not the case. Ms. McKeel stated that the School Board has added $300,000 for the roof because money was already in the CIP for some Yancey projects, so this year they are asking for money to fix the roof, air conditioner and heating, to buy the land and expand the septic. She said the total request is $400,000, and the working group would bring back requests for the future uses. Ms. Moynihan said the School Board has already looked at the CIP and determined that there are currently higher projects. Mr. Strucko confirmed that additions to Yancey are a lower priority, but the fundamentals are already in the CIP. Mr. Foley said that the reality of this is that anything that comes out of this committee will compete against other capital projects in the future.

Agenda Item No. 2.2. Information on Market Data for Use in Budget Development for FY13-14.

Mr. Koleszar said that in past years the boards have used this meeting to set a compensation target, but more information comes in before the end of the year so they are going to use that timeframe and hold the decision until December.

Ms. Gerome provided the Boards with information on market data as it relates to compensation and benefits. She reviewed with the Board the joint compensation strategy and how the County and School Division are doing at meeting this strategy based on the information currently available, noting that the County started at slightly below market, -0.35%, and the pay increase this year was 1% after taking the VRS 5% employee contribution into consideration, the market moved by 0.7%, the County moved a little bit more and because it started a little behind, the County is now right at market. It was noted that WorldatWork is predicting a 2.5% increase this year, with both public and private sector growth included, so based on the Board's strategy the increase for County employees would be 2.55%. Ms. Gerome reported that the Pay for Performance Program used to be used for pay increases for classified staff. There are core competencies identified that support the work employees do: customer service, communication, teamwork, and integrity. There is a five-point scale that allows for differentiation in performance, so the high performers are awarded differently. She presented a "merit matrix" reflecting the system design that provided at least a market increase – based on the Board's adopted strategy – to any employee successfully meeting high expectations, so that they get an additional amount. Ms. Gerome reported that they also built into the compensation strategy a process for accelerating employees to the midpoint, so that everyone can reach market rate and not be lured away by a competitor. She said that if an employee successfully meets expectations and is below midpoint, with a 2% market increase, that employee would get 3% while the employee above midpoint would get 2%. Ms. Gerome stated that if an employee consistently exceeds expectations, they would get the market increase plus an additional 2% - for a total of 4%.

Ms. Gerome reported that with the VRS-eligible teachers' scale, the County hits the target at all the anchor points measured – and non VRS-eligible teachers have a different scale. As in the past, there is a lot of variance later in the salary scale, and at the minimum end the County is "very low" but is meeting its target at every step. The County's target for benefits is "slightly above market," at the 105% percentile. They have developed a matrix around it which is related primarily to health insurance. Last year at this time the matrix showed the County to be a little bit above target level, but with the change in policy regarding co-pays and co-insurance they are now more in line with the strategy. Ms. Gerome pointed out that the complexities involved in developing a benefits program are challenging, and many factors go into it – ensuring affordable options for both part-time and full-time employees and their families, meeting the Board-adopted target of slightly above market, maintaining reserves at 25%, and retaining compliance with healthcare reform. She reported that every year the Healthcare Executive Committee does a thorough analysis of the plan, looking at the plan's claims and where the high dollars are, opportunities for incentives to encourage healthy plan visits, market data for comparison of co-pays, deductibles, and out-of-pocket limits – and employee premiums at the various tiers along with Board contributions. Ms. Gerome said they also look at the County's historical trend data for claims and projections for the healthcare market, and make a point to get employee feedback. She stated that they also look at the healthcare reserve balance, and as she noted in the executive summary the County still has "a healthy reserve" based on the model incorporated – which projects that the County will be at its target in September 2014. Ms. Gerome said there will be a new process for the Healthcare Executive Committee this year, and they will be bringing back recommendations to the Boards for the plan in early spring or late winter. Regarding the County's retirement policies, Ms. Gerome reported that the County made a wise decision the previous spring, with almost 70% of localities in their adopted marketing going with the 5%. She said that this allowed Albemarle to remain competitive, hire about 120 teachers and be staffed when school started. Without that, the schools may not have been in as competitive a position.

Ms. Gerome said that a few points staff would like the Boards to consider are: look at merit pay again for classified employees, as it has not been used since 2008; and consider the market increase for teachers.

Mr. Dumler said that he recalled that the end result wasn't a 1% raise, that it was a little below that. Ms. Gerome responded that he was correct, and it ended up at about .7%.

Mr. Koleszar pointed out that in the current year, 10-month employees who are getting paid over 12 months are actually getting a decrease because the VRS is being withheld on a 10-month basis. He said the employees will recover that money in the 11th and 12th months, but their actual take-home pay is less.

Mr. Strucko asked why they have not been linking the merit pay. Ms. Gerome explained that in 2008-09 there was no increase at all, and the 1% requires a little more money than just 1% - an additional .7% - which simply has not been available.

Mr. Boyd said that over 12 years ago, the County developed a strategy for dealing with salaries, and the WorldatWork data includes that from major metropolitan markets. He stated that what is not included in the information about salary increases is the fact that they are laying off teachers and changing the makeup of class sizes. He is seeing in the private sector where salaries are being capped. What happens is that the cost for salaries expense is going down for various reasons. He said that he thinks somehow that the boards need to rethink how they are dealing with that, because they are not having the same types of situations going on here. The County is not laying off people, it is providing job security – and he thinks that it is worth restudying 12 years later, whether or not it is looking at all these different angles.

Mr. Koleszar commented that his understanding is that WorldatWork is primarily private sector. Ms. Gerome responded that they have many different sectors, and the data provided to the County is for education and public administration sectors. Mr. Koleszar pointed out that jobs in the private sector have been growing fairly fast, with public employment going down, and therefore the pressure on public employment wages is not as great as private sector wages. Mr. Boyd said that he does not agree with that, given that large companies like banks are laying off thousands of people, adding that some of those companies provide zero increase to people making over a certain amount. Ms. Moynihan stated that she would prefer to look at the raises being given in the local community, adding that she has never really trusted WorldatWork because it does not deal with the local community. She said that she would much prefer to see the County look at private, public and government in the local community. She mentioned that federal government employees have not had a raise in two years, and probably will not have a raise for another two years. Ms. Gerome asked if she was suggesting expanding the County's current adopted market. Ms. Moynihan said it is important to include what is happening in the County.

Ms. Gerome explained that they do use several of the large employers, such as UVA, Martha Jefferson Hospital, State Farm, etc. Ms. Moynihan emphasized that she thinks it is important to look at employers in the County and in surrounding jurisdictions, and perhaps include more than just the education and local government sectors. She commented that if people are not getting raises but see the County giving teachers 3.5% raises, there may be some questions on that. Ms. Moynihan reiterated that they need to see what is going on with local people in the local community before looking at WorldatWork. Mr. Koleszar responded that the boards have relied on the judgment of the County's Human Resources Department to replace WorldatWork; they only use WorldatWork as a guide. Ms. Moynihan said that she wants HR to use WorldatWork, but also wants them to rely heavily on what community employers are doing. Mr. Thomas pointed out that three printing companies in the area have closed over the last four years, and no printing company has been giving raises. He added that a new concern is the insurance implications, and it could be a disaster if it goes the way he thinks it might. He pays by the local market, and does not use a competitive market. Mr. Boyd stated that this all goes to his point that they need to readdress their strategy, and assess whether it really makes sense to give a 3% increase. Mr. Rooker said that they are making some anecdotal statements that he does not know is supported by anything. WorldatWork is just a starting point. If you look over the last three years, the boards did not base its ultimate decision on World at Work; it is information. Mr. Rooker added that the competitive market for teachers is not local – it is regional and statewide, and perhaps beyond that. Either they are competitive, or they are not. Unless someone wants to recommend differently, Mr. Rooker stated that the County has a strategy of paying in the top quartile for teachers, but they are not in the top tier. The charts are not showing the County as being at the high end of most of those quartiles; they are in the quartile. Mr. Boyd responded that they also need to consider what else the comparative markets are doing, such as increasing classroom sizes. He said that he thinks they need to look at what modern strategies are to be able to deal with declining incomes coming into the system, and is the County's strategy the right thing to do. He said that whether it is WorldatWork or local peers, they need to be aware of other measures that might skew the equation – such as layoffs.

Mr. Rooker stated that determining classroom size is a different decision from establishing what teachers are paid in order to adequately recruit them. He said that the School Board may recommend increasing classroom sizes so they can pay people more, and they have made that suggestion in the past. Mr. Rooker said that he does not think Mr. Boyd's suggestion is novel or different. He thinks that they make that decision every year, based on the revenues that they think they're going to have available. They have to pay people competitively to get them. It does not matter how many kids are in the classroom, they still have to pay them competitively.

Mr. Snow commented that every year when the boards go through this process, they need to keep in mind what they can afford to do. He said that the boards can say what they would like to do, but the bottom line is what they can afford to do.

Mr. Strucko responded that the County wants to pay a competitive teacher's salary, but the source of funds is from the local community – so if those taxpayers are not getting merit increases, it is kind of tough for the boards to justify paying County employees a higher wage. Ms. Moynihan agreed, and asked if they had experienced difficulty in attracting teachers within the current environment. Ms. Gerome responded that the County has been very successful in the last few years. A lot of school divisions are laying teachers off, and when you are living in a community in which people are not getting raises and do not want their taxes raised, you have got to see what the conditions are at the local level, in the local community." She added that the boards really need to take a look at that before they blankly say they are going to give a 3.5% raise or something like that. They have to see what conditions are right here.

Mr. Strucko said that from the UVA Health System's point of view, the average raise has been 2.5%, with some getting more and some getting less. He said that if you are at the 90th percentile, that would cause the employer to reconsider. Mr. Strucko also stated that they used WorldatWork and other data when making their salary adjustments.

Ms. Mallek commented that she does not think someone making $150,000 should get the same percentage raise as someone making $30,000.

Mr. Koleszar commented that their strategy tests where they are against the market every year, and before they had this strategy they were always arguing about what to use for comparison. With this strategy, they have one number, they accept that, and then they work from that. This strategy has worked really well for the County ever since it was instituted.

Mr. Buyaki said that in the private sector, employees are continually asked to pay a little bit greater portion of their healthcare benefits, and while his employer picks up part of the cost it is generally a 6-12% increase each year. Mr. Strucko said that with UVA Health they try to pick up the increase in costs where they can, but the trend is that employees are picking up a greater share of the cost. Ms. Moynihan said that is true in federal government as well. Mr. Boyd said that was his point, because employers are often doing other things to offset their raises that burden the employees in a different way. Mr. Rooker pointed out that they do target benefits, separately from salary. He noted that Ms. Gerome mentioned earlier that they were looking at strategies to reduce benefit costs in the current year. He added that things are always “back-tested” to show at the end of the year where the County actually falls in its benchmark. Mr. Rooker noted that he has been on the Board for 11 years, and the same discussions have taken place – and at the end of the day, you have to pay a competitive salary to get the people you want to get. He mentioned that they just gave raises to police officers to bring their pay in line, because the County was losing officers to Greene County because that locality paid more. At the end of the day, that is the kind of thing you look at.

Mr. Koleszar stated that the schools’ compensation does not go up the same amount as they give a raise, because people at the top of the range retire and new people are brought in at lower salaries. He said that they have used VERIP to encourage people to retire, so the total salary costs have not been nearly as much as the percentage raises being talked about.

Ms. Gerome commented that there are many ways that total compensation hits an employee’s pocket. In the County’s adopted market – when salary data is gathered each year – they do have several of the area’s large employers, so they do get some read on the local market. She said that the reason they use WorldatWork is that the County cannot get projection data as early as needed for the budget process. She said that she is not making a recommendation today, just putting out some information for consideration. Ms. Gerome added that she would like to hear thoughts on moving to merit pay for performance if there were funding available. Mr. Strucko said he is a big advocate of that approach. Mr. Boyd said it should be part of what the County does, and should be extended to teachers. Mr. Koleszar stated that it has been part of their strategy; they just have not done it because they have not given any raises. He added that there has been nothing on which to apply merit pay, but if they get to a 2% or more raise there would be something to work with and apply that strategy. Mr. Boyd said that he feels it is time to redo the study and look at the compensation strategy, adding that he would like to convene a group to do this. The question can be answered - whether or not the County’s strategy makes sense in today’s environment and today’s times. Mr. Rooker asked if he was talking about redefining the competitive market. Mr. Boyd responded that it would mean analyzing whether the County’s strategy is appropriate for the times, and putting a committee together to take a look at it. He noted that it has been 12 years since they last did this. Mr. Foley said that each year the staff does look at it and find that they are at best practice, but as they look at it, it’s important to know whether they want the competitive market redefined. He said that the strategy is simply at the market, or in the top quartile of the market. Mr. Boyd explained that 12 years ago a group was convened to talk about how to build a good strategy and it included staff members and Supervisors along with professional human resources people from the community. Mr. Buyaki said that what Mr. Boyd is talking about is not just looking at percentage increases, but how the market gets to those increases. Mr. Rooker stated that those are statistics, not strategy. Speaking for himself, he thinks that the strategy that has been deployed over the years is a good strategy. He said that perhaps it might be helpful to look at competitive markets in terms of what they have done for their total compensation, and how Albemarle compares with other localities as a percent of budget and how it has changed. Ms. Moynihan said that it is also important to look at a community’s ability to pay, and what kind of compensation other employees in the area are getting. Mr. Rooker stated that the composite index tells you that, and you can look at that in comparison to other localities to find out your community’s ability to pay. Mr. Foley said that every year the County does a survey, and staff can provide that specific data – including what UVA and Martha Jefferson have done for raises. Ms. Moynihan responded that she simply wants that all to be taken into consideration. Ms. Gerome said that they do, but they cannot get it this early in the year so they get it over the summer and assess where the County is relative to the market. She stated that there were times that they realized the strategy was not working – such in 2005 when they were having difficulty attracting teachers – so they used the data as a catalyst for a new approach. Ms. Gerome said that overall the strategy has worked very well for the County as an organization.

Mr. Koleszar stated that overall County employees are delivering fantastic services to the community on the City, County and school side, at a very reasonable total cost. He said that that's the bottom line and in terms of people's ability to pay, the Board deals with that every year during budget and tax rate time. The strategy sets a goal, but the Board of Supervisors weighs that goal against the community's ability to pay.

Mr. Snow said that in a sense they put together a "dream list," but in the end it is based on the resources they have. He stated that he would like to proceed with the proposed approach and pull together the other things discussed. Board members and School Board members agreed.

Agenda Item No. 3.1. Other Matters Not Listed on the Agenda. None.

Agenda Item No. 4.1. Adjournment.

At 5:00 p.m., Mr. Koleszar hearing no objections adjourned the meeting of the Albemarle County School Board. The Board of Supervisors continued their meeting.

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Chairman

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Clerk