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Albemarle County Board of Supervisors County Executive Presentation of Budget, Wednesday, February 26, 2025

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[00:00:00] Please call to order this meeting of the Albemarle County Board of Supervisors on the 26th of February at noon in room 241 of the Albemarle County Office Building, Backstairville. Notice table. We have Supervisor Mike Brewer of the Scottsdale District, Supervisor Peter Peterson Kirkley of the Redana District, Supervisor Anthony Kiel of Jack Jewett District, Supervisor Ned Galloway of the Ryo District, Supervisor Ann Malick of the Whitehall District, and myself, Jimmy Andrews, representing the Samuel Miller District.

[00:00:27] forums present. We're also joined by our County Executive, Mr. Jeff Richardson, our Deputy County Executive, Mr. Kerberhenney, our Chief Financial Officer, Jacob Schellner, our Chief Operating Officer, Christy Schifle. I also want to welcome here, I believe we have Albauer County Police Officers, President Officers, Roxanne Kine and Stephen McCall. We thank you for your use today and every day on behalf of the citizens of residents of Palomaro County. Appreciate what

[00:01:02] you do for our safety and security. With that, we will turn it over to Mr. Richardson, who will be presenting the 2526 recommended budget. Welcome. Mr. Chair, thank you very much, and board members, thank you. Thank you for your time today, not only today, but as you know, we've been working in earnest really since we put the last year's budget to bed. We started talking as recently as July, or as far

back as July, and we've worked our way through this year, and now we're at that point. I'd also like to welcome our community that's here today, either in person or listening

[00:01:39] online. Thank you for your interest in Albemarle County government. We appreciate your leaning in hard and connecting as today we talk about our recommended budget. I also see key partner agencies in the room. Thank you for being here today, certainly our schools where we are attached at the hip on a day-to-day basis, and we appreciate everything that they do to make our community better. Mr. Chair, thank you for recognizing the staff across the front row. I won't go back through, but we also have our budget team here today that has been working the entire year to

[00:02:14] get us to where we are, as well as our department heads who are connected and involved. At the end of today's presentation, I'm going to talk about what's next, and I've got 36 slides that I will share with you today and walk you through the manager's recommended budget. But you'll see at the end of the meeting today at least 16 opportunities, 16 opportunities with 16 public meetings. That's what we know for sure at this time. That's where we will invite our public in to listen, to learn, and to share at times their thoughts on this recommended budget. This board

[00:02:53] leans in hard during the budget process with a number of dedicated work sessions, looking more closely at what this budget offers, what's left out, and the board does a great job every year of asking questions and keeping staff on their toes. So with that, we'll start today, and again, I appreciate the opportunity to be here in my eighth year as county executive. It is an honor to serve this community. So today's agenda, here's an overview of what I'll be covering today.

[00:03:25] The first part, really the strategic budgeting, it's how we approach budget development with an eye on our strategic plan. The second part of the agenda is the trends, the drivers that we're seeing in our local economy combined with our revenues, our obligations, and we'll talk a little bit more about that. The third part is key investments, and that's recommendations for initiatives and strategies as we go forward into next fiscal year. And then finally, the fourth part will be next step, wrap up, making sure that the board in our community understands that today

[00:04:02] is really just the beginning of this process. It lasts for several months, and we're going to land this budget, we hope, on May the 7th this year. So we're looking forward to the work that we have ahead of us with the board and with our community. So first part, strategic budgeting. Let's take a closer look at what we consider when we say strategic budgeting. I really like this slide, and the reason that I like this slide is that I think that it represents lenses, and I'll use that

[00:04:38] term a lot today, lenses, and what I'm asking for the board to consider is look through these three lenses. I believe that these are the lenses that our community most oftentimes pick up when they think about local government. They think about local government through an economic vibrancy lens, a service delivery lens, and a quality of life lens. Let's take a second to explore just a little bit about economic vibrancy. That's really the health and the competitive strength of our economy. What does that look like? What are attributes like? Attributes would be job

[00:05:14] opportunities, our business environment, the sustainability of funding that would then go and pay for our local services that we provide. Let's take a second and look at service delivery. What are we talking about? We're talking about our workforce, our Albemarle County workforce, our ability to, and the capacity to respond to the service needs of the community. Third, the investment in our business

processes and our technology. We'll talk a little bit about that today. That's a refined lens. So the first lens, our economic vibrancy lens, that's a broad lens.

[00:05:51] The second lens, service delivery, it's more refined. And then finally, our third lens, which is quality of life. And please, board, let's not forget that our ability to serve the public, our quality of service directly affects the public's quality of life. And that third lens, quality of life, it's subjective. It's a subjective lens. It means so many different things to different people. I've often thought about what my elevator pitch would be because we talk about that. What's your elevator pitch when you get on the elevator to tell someone about what you do? And I often say to myself, I hope I'm in a big building because we do so many things. I need

[00:06:29] a lot of floors to explain what we're into on any particular day. And that gets to quality of life. You know what it's about? It's about commute times. How long did it take you to get to this building today. It's about good quality public schools. It's about access to parks and open space. It's about access to urban amenities. All of these things matter to people. And what that means is that local government is in the middle of everything about it. But the quality of life lens, it's also an action lens. What does that look like? I'll show you an example of what it

[00:07:08] looks like. If we spent 30 minutes with our community and we had the technology ability for them to build into a PowerPoint slide, what's most important to them? These are a lot of the words that we would see. Here's an example of what people say and what they want and how that shapes the perception of their quality of life. I believe this is a tall order. I think that local government is asked to carry the weight of responsibility for addressing much of the quality of life in this community. I don't think we can do it alone, and you're going to hear me talk a little

[00:07:42] bit about today, partnerships, key partnerships, and are continuing to hit that drum, asking for our durable partners, our key partner agencies in this community to help us with this. Quality of service greatly affects quality of life. We have great relationships with our partners, but we can't do it by ourselves. So what's our approach? Let's talk about our strategic plan and how it embodies our board of supervisors direction. It's a five-year strategic plan. These are our six strategic goals. We're in our third year of a five-year strategic plan. And the other day,

[00:08:21] our chief operating officer politely tapped me on my shoulder and said, guess what? It's a time to begin to start planning for our next five-year strategic plan, which I said, you've got to be kidding me. I can't believe that. But this is a cycle embedded with the five-year strategic plan is our five-year financial planning. That's responsible. Andy Bowman, his team, Jacob Sumner, they remind us that we've got to align our five-year strategic plan, our five-year financial planning. And so that's the lens that our organization must also

[00:08:59] look through, and that's the affordability lens. Because no matter how much revenue and money that this organization has, we will run out of money before we run out of opportunities and before we run out of problems. So let's examine more closely the economic trends. Let's focus more closely on the cost drivers and the multi-year approach to our budget planning. This is another one of my favorite slides. This board should be very, very familiar with the design of this slide because

[00:09:37] what we're looking at is it's multi-year budget planning. It's out-year obligations. That's a word that or term that I just made up, but you're looking out at what are our obligations coming down the track. We budget annually, but the decisions from one year, they certainly affect the next year and what happens

in the next year. We're looking for our discretionary revenue and plugging that into our strategic plan so that we can address the biggest opportunities and the biggest problems. You can see, Board, and I'm just going to take a second, that really about four

[00:10:11] years ago, we knew that we faced the inevitability of a real property tax increase at some point in time. We were talking about that four years ago. We had stronger than anticipated natural revenue growth combined with success in competitively earning federal Safer Grant money that we pulled down from the federal government that when you combine those two things, it delayed the inevitability of a tax rate increase. We were looking in fiscal year 23 and 24 at earmarking money. It's at the bottom left part of the page. It's in yellow. It's almost \$5 million.

[00:10:50] We stopped \$5 million short of spending all of the revenue. And we said, let's earmark it for 25 and hopefully 26. And it's connected to out-year obligations. So we took on the burden of a larger capital program in FY24. We committed to building new schools for our public school system. We committed to a more robust workforce stabilization plan. We knew we had rising capital costs. We also knew we had partner agency costs. Now, fast forward into the year we're in. You see

[00:11:27] no yellow box down here. We couldn't do it. We needed everything. We needed this \$5 million and all of the revenue that we collected in 25 to be able to balance and to continue pushing the strategic plan forward. And again, we were anticipating for fiscal year 26, the out-year obligations become now. These are our obligations that we're facing going into the fiscal year 26 budget. And so much of that is tied into public safety. But it's more than that. And we're going

[00:12:02] to explore what that means in just a minute. Before we do, let's talk a minute about fiscal year 27 and beyond. With our chief operating officer reminding me that we're not far from having to revisit our five-year strategic plan, it's not too soon for us also to look at what's ahead of us, not this coming budget year, but next budget year, one year from now. And we're already looking at the cost associated with opening two new public schools. So they'll be built hopefully in this year. And then our public schools partners will open two schools in fiscal year 27. They will

[00:12:41] need additional operating revenue in order to make that work. Tied with that is we're continuing to keep an eye with schools, with state funding, also with the human resources needs, with their collective bargaining work that they're doing. We're also keeping an eye on our revenue sharing agreement with the city of Charlottesville. It has grown significantly year over year over the last three years. We are also keeping an eye on our FEMA Safer Grants. We've been successful with four grants, and we're eyeing an opportunity if it's necessary to go after a fifth. But then that

[00:13:16] leads us to talk about us keeping a watchful eye on federal funding in general, which means we need to be cautious. We need to be cautious in how we move forward, given the turbulence that we're seeing with our federal government currently. So, Board, this is another slide that you've seen quite a bit. When we do five-year financial work, we look out here at revenues and expenses, and what we try to do is we try to capture what we know to be obligations that we know that we're

[00:13:52] going to pay for in the out years. I'll only point you to the bottom of the page on the left side, fiscal year 26. And that's where we're going. And we talked last fall about facing a budget gap of about 3.1%. That 3.1% was about \$13 million. So going into this budget process, why were we talking last July? Why were we having discussions about what can we do? What must we do? And then what are we going to have to, through the affordability lens, try to figure out what

[00:14:28] can we afford to do facing a \$13 million deficit in fiscal year 26. As Mr. Bowman has said a number of times, it's okay once you get into the out years, especially years four and five, to see this gap because time is your friend. We don't know everything. We can't model everything, and but we're going to begin we're going to begin to take steps but immediately we had to close this gap in fiscal year 26 and it's really about the the out year obligations that we now face so we're

[00:15:03] with that the budget is balanced on a tax rate of recommended tax rate of 89.4 cents which uh is a four cent dedicated property uh real property tax increase and i'll talk more uh in just a few minutes about what that dedicated means. But it's a four cent tax rate increase going into next year, fiscal year 26. Personal property at the top right, we're recommending that that be restored to the pre-pandemic rate of 4.28 cents per 100 valuation. This has been a two-step process,

[00:15:39] God bless you. This has been a two-step process board. And during the pandemic, we saw something really unusual happened. And that was used car prices began to go up. And at that point, the board said, we've got to do something to be able to relieve the stress on people during the pandemic who may not be able to afford to pay their personal property taxes. We lowered that by 86 cents. I bet Andy Bowman a Bodo sandwich that I think that's about \$7 million, \$7 million dollars that we returned to the general public as a result of that 86 cent personal property

[00:16:17] decrease. We restored that partially last year as the used car market began to settle out and then I'm recommending the two-step process be completed this year and we bring that back to pre-pandemic rates. Food and beverage will remain steady at six percent. Transit occupancy will remain steady at 9%. I told you that I'd talk about what the recommended dedicated tax rate increase of four cents includes. This four cents, 3.2 cents of this, 80% of the four cents would be

[00:16:54] dedicated to public safety. And it's to address our obligations, approximately \$10 million to pay for the FEMA grant funded firefighter positions. I'm also recommending new police officers as well as continuing to fund our public safety pay plan, the capital needs associated with police and fire, as well as our partner agencies. And I'll talk a little bit more later about what that includes.

[00:17:20] It also includes a car amount of four-tenths of a penny to public schools. This is over and above the natural growth that they'll receive through the funding split. And that would generate an additional \$1.2 million in fiscal year 26 that would support continued education funding, the increase supplements the existing tax rate allocation, and where 54% is dedicated to our schools through the funding split. And then the final four-tenths of a penny would be dedicated to affordable housing. Our goal here was to be able to present to the board

[00:17:59] a consideration for an earmark. In this case, it would be \$1.2 million. That would be earmarked for affordable housing, and that would be until the board determines you want to do something else. So if you accept this recommendation through the budget process, this split of this dedicated funding is only in play for as long as the board wants that to be the case. But what this does is it gives us the first opportunity to create this ongoing funding for affordable housing.

[00:18:35] This is a stock slide that we show you every year, and this is balancing the strategic plan goals with financial consideration. It's a challenge with the budget planning process. You'll recall that Dr. Cheryl Bailey from Virginia Tech, she comes every fall at the beginning.

[00:18:52] That's really the kickoff for the budget process as we know it today, where she comes and she gives her presentation, first at a national level, what is our economy doing, a regional, a state, and then let's drill down and let's take that lens and let's look at this region to determine what's going on in the greater Albemarle County area. And so, again, we go through this process every year with the board through December, and then we really hit in high gear after the holidays.

[00:19:22] When Dr. Bailey was here, she said, basically, partly sunny, partly cloudy. Like the U.S. and Virginia, it's prudent for the county to expect a solid economy, slight economic cooling, and moderate growth for 25. Take a look with our economic indicators as what this looks like.

[00:19:42] Inflation is hovering around three percent. We continue to enjoy low unemployment, not just for this area, but for the state and nation. Slightly lower interest rates from last year, but higher than pre-pandemic, a growing population, steadily growing as we close in on 118,000 citizens in Albemarle County, a decrease in the rate of consumer-driven revenue growth, continued decrease in vehicle values, as I referenced earlier, and then a continued increase in real property values. You can see that that for this year is 5.1 percent, but I want to take a

[00:20:21] second, and I want to talk about there's a split there. And if we look at residential homes, residential homes are about 7.1%. And then when we peel everything else away from that, the rest of what's valued is considerably less, which then lands you at that county average of 5.1%. Real property assessments, as I said, were up 5.1% this year, and it's a similar increase the last year. Our natural growth, along with SAFER grants, which our SAFER grants are \$12.7

[00:21:01] million. I don't think I've said that number yet. The four SAFER grants that we pulled down through the federal government totaled \$12.7 million. And you're going to hear me talk about that today because it's time now as those grants feather away for the local government to step in and to take that burden over. And that's what we're talking about today. But the FEMA SAFER grants coupled with strong growth in our reassessments over the last three years have delayed the inevitability of the tax rate increase. We saw a historic high growth in that 22 and 23

[00:21:40] time frame. Board, this is our general fund revenues slide. So our budget for next year in the general fund is \$480.5 million. I lean in hard to the general fund revenues because that's where we do most of our focus during the budget season. That's where all the tax revenues are received.

[00:22:02] It's the primary funding source for schools, capital, and debt, and it's where the board has the maximum amount of policy discretion. This \$480.5 million reflects a growth of \$42.5 million year over year, and that is a 9.7% increase year over year in the general fund. General fund expenditures, the recommended expenditures balance, that number balances per state law

[00:22:36] to our revenues. And what I point to is our partnership with schools, again, as I said earlier, and our commitment to funding schools budget. And board, I know you know this, but 72% of the school's budget is paid for locally 28 is through non-local money i guess that primarily would be stake all right now let's take us uh the third part of this presentation let's step through some of the key investments that's recommended in this year's budget i said earlier

[00:23:11] that we had 36 slides 35 36 slides we're on slide 19 we're going to begin to slow down just for a little bit and let me talk just a little bit more about what's in this budget and i will remind our community and everyone else who's tuned in today that today is step one. And as I said, we have about eight budget

work sessions. We'll dig in. We'll dig into this budget and look more closely at what's in and what's out. Today is just supposed to be a thoughtful overview of what

[00:23:43] we're working with going into next year. So I'll start first with fire rescue and our investment and safety and well-being. And as you see in the top right, we won't talk about our budget without talking about our strategic plan, because we want to make meaningful connection forward to those six goals. So I've talked about this before, but what we're talking about, first of all, we're committed to ensuring fire and rescue and police have the resources that they need to serve the community effectively. Fire and rescue, let's talk about those guys and gals. In recent years, the county

[00:24:21] successfully leveraged federal grant funding from FEMA's Safer Grant program to hire firefighters. These hires address critical challenges, including volunteer shortages and an increasing demand for fire and emergency medical services, especially in the urban rain. While the funding allowed us to defer the cost of hiring these positions, we must now transition this to local funding.

[00:24:45] That's a part of the FEMA Safer Grant formula. The raised tax rate includes all cost associated with assuming these firefighter positions, avoiding the need for incremental tax increases over multiple years. So 57 firefighter positions have been hired through this federal funding, all devoted to operations within fire rescue, serving all of Albemarle County. And I'll respectfully remind the board that we have now been successful with four

[00:25:19] competitive grants that have been awarded since fiscal year 21. Police resources. I'd like to talk a little bit about that. Funding for six new police officers are included in this recommended budget, and it's devoted to support public safety. Board six positions may not sound like a lot, but it's the highest number of police positions that we've added to the police department since fiscal year 16. We've added since fiscal year 21, we've added 13 police officers. And this

[00:25:56] year, we're doing the most that we've done, as I've said, in almost 10 years. These officers will be assigned to control. They're ensuring coverage meets demands across our growing community. Calls for service are up in the police department. They have steadily been going up since the pandemic.

[00:26:13] the same for fire. Additional details on sector assignments, how we will staff, and all of that will be determined based on a community needs and operational strategy study that we already have underway. So I want to stop there because this is important. We're talking about additional resources in fire rescue. We're talking about additional resources in police. At the same time that's happening, with the cooperation and invitation from our police and fire chiefs, they've said, let's bring someone in and let's take a look at how we provide services to our

[00:26:50] county. And so we've brought in a consultant who is an expert both in fire service and police service delivery to look at our staffing models, to look at calls for service, to look more specifically across the county about how we staff our sectors, how we respond, backup time and so forth. And all of that will happen this year. It will not happen in time to inform anything we do in the budget, but we can expect between now and the end of the calendar year that we're going to get a full report back on how we look right now based on the decisions that we've made and that

[00:27:26] we will make. Investments in police will also continue efforts to modernize the department, making it easier to recruit and to provide better service in response to the community. All right, let's talk about investments in human services funding. Albemarle County recognizes that government cannot

meet every need alone. I may have partners in here today that are pulled into this and how we do human services funding programs. By funding local non-profit and

[00:28:01] community organizations, we strengthen the regional safety net and improve residents' access to vital services. The human services funding program prioritizes programs that serve our most vulnerable members of our community. This includes the elderly, households with kids under the age of six, and medically vulnerable individuals. Enhanced compliance ensures the funding programs are both effective and accountable. What you see here is a recommended allocation of \$1.6 million dollars to fund 26 programs for next year. This is a \$385,000 increase, which is 31 percent.

[00:28:37] That \$1.6 million does not go very far, but it is significant in this budget that we've been able to allocate funding in the recommended budget to increase the total amount by \$385,000. Supporting 26 programs, including organizations like Loaves and Fishes, which provides emergency food across our community. Pacham, which provides emergency shelter across our community. And also funding the Ready Kids program, which is about mental health care for kids and teens. And I don't need to explain to you, Ward, that when we enter into these partnerships, this is a force multiplier

[00:29:15] in getting vital services to our residences in our community. All right, let's talk about community services, an investment in community services, 30 partner agencies totaling \$35 million. What all does this include? Albemarle County partners across our region with regional agencies and organizations to ensure that our residents have access to vital community services without taking on the full cost of operations. In public safety, that's about \$12.5 million. Who does that include?

[00:29:48] It includes the Albemarle Charlottesville Regional Jail. Renovation funding to improve facility conditions for the first time in 50 years. The county will share the debt service that goes to the renovations at that regional jail.

[00:30:05] Blue Ridge Juvenile Detention Center, Charlottesville Albemarle SPCA. Funding increases there that will support the operating cost and service demands. the county's share of the total operating funding that goes to take care of animals that come in through the animal shelter. It also involves the emergency communications center, ECC. It's enhancing 911 services and emergency response coordination. It also involves Virginia Juvenile Community Crime Control Act. And now let's switch and go to public works. \$3.1 million. That includes

[00:30:42] money for the Ravana Solid Waste Authority. They are a key partner agency with us. \$2.9 million allocated to Ravana Solid Waste next year. They provide recycling services, solid waste services, household hazardous waste, and disposal services paid for by Albemarle County. Partnerships with other health and welfare non-human service priority funding, \$3.8 million. It includes partners like AHIP, Blue Ridge Area Coalition for Housing, the Health Department, Seville Human

[00:31:18] Services, the Child Health Partnership, and so on. Parks and Recreation and Culture, \$7.3 million with key partnerships with our regional library, as well as the Charlottesville Albemarle Convention and Visitors Bureau. Finally, Transit Agencies, about \$7.7 million. It's our partnership with CAT, micro cat cat jaunt and then funding for a regional transit partnership our board took action this year to develop a regional transit authority and coinciding with the city of

[00:31:53] charlottesville and now we're going to go through this process of discussing what does it mean to provide to to approach transit public transit in our community with a regional approach leaning in

apart to our partners. There's also money for community development, including Thomas Jefferson Planning District, as well as economic development partnerships that are vital to Albemarle County.

[00:32:23] Board, I've talked a little bit about our investment in schools. I've talked several times about the critical relationship that we have. And so I'm going to take just a couple of minutes to talk about our investment in schools. Over the past two years, Albemarle County has invested 27 \$7.6 million of new operational funding for public schools. That's last fiscal year and the current fiscal year. For next fiscal year, I'm recommending that school funding is projected to increase by 7.3 percent. That's in line with what they've experienced recently. That equates to \$14.3

[00:33:01] million in additional ongoing operational funding. And also board, I am prepared to spend one time funding \$6.2 million that I would move over to schools to support our joint employee health fund. We enjoy a self-funded employee health fund and we are working hard to hold our costs down to our employees, and I am prepared to move \$6.2 million over to schools. Our health

[00:33:38] insurance has increased about 24% most recently, and I'm prepared to help schools in this way. We continue to be committed to the three new schools in Albemarle County, and we're excited about our continued partnership with schools. I want to talk a minute about affordable housing.

[00:34:02] For fiscal year 26, we're talking about a recommended budget that has \$4.2 million for investment in affordable housing. Now, I want to take a second to clarify what that \$4.2 million means. We have one-time money that we've earmarked that would be ready to go at budget adoption.

[00:34:24] That is \$3 million that would be sent over to our housing fund for the immediate needs starting the 1st of July. But in addition to that, as I discussed earlier, out of the four cent recommended tax rate increase, I would recommend that board consider four tenths of a penny, which is \$1.2 million, that would create an ongoing funding stream to affordable housing.

[00:34:52] The county continues to invest in developer incentives and other initiatives to expand affordable housing options. Efforts focus on increasing the supply of affordable homes and rental units, supporting workforce housing and assisting residents in securing stable housing.

[00:35:09] I would remind the board and our community that between fiscal years 21 through 24, Albemarle has invested about \$17.7 million into affordable housing projects and programs.

[00:35:28] So board, we're talking about investments in economic development. We're focused on growing our target sectors, focusing on biotechnology and national security innovation.

[00:35:46] This involves Ravana Futures, which I'll talk about more in just a minute. We continue to enjoy support for the Commonwealth BioAccelerator. We've enjoyed in the last year a significant announcement of additional private investment in our community at Afton Scientific, where our CEO of this locally grown company, Tom Thorpe, is in the process of investing \$200 million additional capital dollars in this growing business that will that will create 200 additional jobs locally in our community in this

[00:36:25] biotech area we want to continue to work with workforce development partners to create the right training programs to prepare our community to be successful for future jobs that are being created today this this involves partnerships with our albemore county public school system pvcc and the university of virginia for future life sciences advanced manufacturing and cyber security we continue to

partner on redevelopment projects that deliver public infrastructure the woolen mills bridge over at woolen mills is an example of that we work through a public

[00:37:04] private partnership this year with home depot uh where home depot's in the process of investing 26 million dollars at that tired fashion square mall site that has declined in property tax value steadily since 2014 and with this new anchor tenant there we think we're poised to begin to continue to work with them to see the resurrection of that property over time this is a long-term investment but it's much much needed redevelopment we see board that we've recommended \$1 million in the Economic Development Fund for next year. This money is needed in case we need

[00:37:43] to match straight state grant opportunities, encourage economic development in development areas, and implement economic development initiatives. So the Economic Development Opportunity Fund, where would that \$1 million go? It's truly about opportunity. It's about us having money on hand and available to deploy to make the right partnerships, the right investments to strengthen the economy and take advantage of the right opportunities as they come along.

[00:38:10] So I said I'd talk a second about Ravanna Futures. We're really in year two of working that property. I believe 462 acres was a part of that \$58 million acquisition that encompasses all the property that is around Ravanna Station currently today. I will respectfully remind our board and community that that's where 3,000 employees work every day, 300 active military, 2,700 in the Department of Defense Intelligence world with three DOD intelligence agencies currently occupying that

[00:38:45] space. We want the purchase of that property to send a clear message to our federal partners, our state partners, private sector industry, and education, our education partners, that we want to grow a campus with private sector investment, education, as well as the federal footprint to grow.

[00:39:09] This is a 2030 and beyond investment, but we want them to stabilize and to grow over a long period of time. Intelligence, DOD intelligence, is the second largest industry in our area. And so when we look at a full build out of Ravanna Futures with maybe up to about half of that property devoted to development, Weldon Cooper Center has said it could equate to another \$1.1 billion in economic activity every year.

[00:39:41] This could be 10 to 12 years away, but we've got to take steps every year to continue to make this a reality. And then finally, Project Enable 2.0. Board, you have been working with consultants who've been here to work with not only you, but key stakeholders on what is the next version of our economic development strategic plan. It's exciting because we'll be launching an update and hopefully getting this work done throughout the remainder of this year.

[00:40:12] All right, we're on slide 27, so I'm on the home stretch. Let's talk about our support for our workforce. Remember earlier, we looked at our six strategic goals. It's five goals, Ward, that almost looks like a wheel with coming into a hub. The spokes come into the hub, and the hub is our workforce.

[00:40:34] So next year, we're going to invest, it's recommended that we invest about three and a half million dollars for market adjustment to our workforce. This is a 3% pay increase for non-sworn across the county. And then this also would support our public safety pay plan with their 2% step adjustment going into next year.

[00:40:59] And then finally, we would earmark a small portion of this for our continued pay and classification work. We promised you that when we did our organization-wide classification and pay study,

that we would keep that work current because we've got to remain competitive with our pay rates.

[00:41:18] Our turnover and vacancy levels have gone down drastically since 2021, 2022. There was a time that I was in Lane Auditorium with you, and we were reaching 120 vacancies in this organization. And this is coming out of the pandemic.

[00:41:34] We were having a struggling time meeting the obligations day to day that our workforce takes on. I'm so proud to say today that our turnover levels have gone down, our retention levels have gone up, and our workforce to a large degree is much more stabilized than it was three years ago.

[00:41:55] But let's talk just a little bit about health care. Rising health care claims and increased costs for the county and partner agencies have resulted in a 24 percent increase in health care rates year over year. And so to mitigate the long-term expenses, the county is investing an additional nine million dollars into the health care fund and parallel to that we've launched the opening of our first health clinic this board participated in the ribbon cutting several weeks ago that location is in pantops strategic middle part of the county we'll be opening a second

[00:42:31] location in the next several months uh miss shiflett uh mr sumner they have worked together to get the first one open and to prepare to open the second one and this is for local governments for schools and for several key partner agencies that have been a part of our health care fund for many decades. So investing in the clinic will help to control our health care costs.

[00:42:59] Nationally right now, health care inflation is a huge issue, but maybe even a bigger issue is access to health care. And Albemarle County and our region is not immune to that. And so the clinic was a huge investment. I think it's a, I think it is our next big bet in our organization that we are investing in our workforce, the wellness of our workforce, but we're also taking strategic steps to maintain inflation with our healthcare fund. First two weeks that the health clinic was open, just interestingly enough, 99 visits. It's a, it's the expected split out of schools and

[00:43:38] local government that you would see. And in the first and second Saturdays of those two weeks, all appointment slots were filled. So this is an example of designing the clinic in a way to say, we need Saturday hours because many of our employees work Monday through Friday. And it's not lost on me with all those hours being filled on Saturday that people may not feel well during the week. And then on Saturday, when they have their day off, they go to the clinic, see what's

[00:44:10] wrong. I hope those Saturday hours are beneficial to our staff. Second slide, and this is about cost savings and efficiencies. I want to take a second to talk about the fact that we have eliminated in this recommended budget almost 12 positions on the county government side. And this is through re-engineering efforts. So if you say, what's the total FTE count? I am recommending six new police officers that will go into operations immediately once they're trained over in the police department, six new FTEs. And that's against the backdrop of cutting almost 12 positions

[00:44:50] everywhere else across the county. Fire and rescue with the personnel that's in the field on calls for service, they've been left to the side while we focused on the rest of county government to look at re-engineering and opportunities to do more with less that generates cost savings for Albemarle County. County departments have committed to \$500,000 in annual cost savings.

[00:45:15] It'll total \$1 million over fiscal years 25 and 26. So our strategies include lowering vacant FTEs, and we do that through alignment of staffing to our priorities. We also are experiencing low turnover

savings, reducing costs associated with hiring and training new employees.

[00:45:37] So we are going through FTE re-engineering and implementing a more strategic approach to staffing and vacancy management. The 11.7 positions that we've eliminated in the budget, we've examined our service delivery models.

[00:45:54] We've examined the implementation of business processes, systems that guide our work. We are trying to optimize and fully implement these systems to where we eliminate the manual work that's associated with a lot of what we do day in and day out.

[00:46:13] Systems modernization, it's investing in technology to enhance government efficiency and customer services. And I won't go into the details, but we will have opportunity to go into more detail when we examine this in some of the budget work sessions. So board, I'm on the home stretch.

[00:46:30] Let's look at the recommended fiscal year 26 through 30 CIP highlights. OK, so what are we involved in outside of the investments in public safety? We've talked about continued. We've got continued investment in Ravanna Futures.

[00:46:50] We've got continued investment in transportation. We're still planning currently to begin work on a northern convenience center in fiscal year 27. We are also planning with Citi in our out years to look at much needed central library renovations, continued commitment and investment in Biscuit Run, Darden Tao Athletic Fields.

[00:47:13] We're committed next year to build an urban pocket park that was identified by our board. Several strategic plan discussions ago has been something that we needed in the urban ring. We're continuing to meet our obligations with school renovations.

[00:47:29] We're exploring workplace facility renovations in fiscal years 26 and 27. We're committed to the schools with not only renovations, but with the new schools that are going to come on over the next year, come online.

[00:47:45] And then finally, ports are slated to open later in fiscal year 26. Schools, we're committed, of course, I believe we had a celebration earlier this week at Lambs Lane campus.

[00:48:01] We're also looking at elementary school one, elementary school two, continued renovation, system-wide maintenance, system-wide, and bus replacement as well, all the way through fiscal year 2030.

[00:48:18] So this is just a summary. First, we looked at schools at 189.6 million. Now we look at local government, and you can see us spread out from 26 through 30 at 128.5 million.

[00:48:33] So, as we move to close what's in this budget for next year and what's recommended, I wanted to take a minute because, as I said, with 36 slides, we're going to have to be careful and precise about what we talk about, recognizing that we've got eight work sessions, I think up to eight work sessions if we want them, devoted to digging deeper into the budget.

[00:48:59] But what about what we do every day? What do we do every day in this community? This is an example of what we do every day. When we're out there encouraging a vibrant community inside Albemarle's operations, supporting a resilient, equitable, and engaged community, and nurturing a safe and healthy community.

[00:49:21] All of these represent touches. They represent touches in our community that maybe in some meaningful way we are providing a service to a visitor, a community member, a citizen who is here that needs us.

[00:49:36] Stuff like 51,600 rides on microcap. It's stuff like 38,500 building permit inspections. It's something like picking up 145 tons of debris that's picked up on roadways in Albemarle County with our new street sweeper program and so on and so on.

[00:50:00] But this is a poster board that we take with us to our community meetings because it's hard to capture everything that Albemarle County local government does every day for the community that we serve. It is a catch-all slide.

[00:50:17] I'm proud of this slide. We show it in new employee orientation, and we say, point to something you didn't know. And that is a fun conversation with our new employees who are coming on board. It's a snapshot of who we are and what we do. So I'm supposed to talk about next steps as we wrap this up in the process of what's ahead. But before I do, before I talk about next steps, let's talk about the bottom line. This recommended budget has a recommended tax rate increase

[00:50:53] of \$0.04, going from \$0.85.4 to \$0.89.4. And the bottom line is that it's to pay for out-year obligations that are now upon us. It's FY26 obligations that include the things that we've talked about today. We've enjoyed revenue growth with this recommended budget of about \$42.5 million.

[00:51:20] Well, where does this money go? It goes in general to education, \$14.3 million of ongoing operational money, which represents a 7.3% increase along with a one-time \$6.2 million move to schools to help them with their health care costs.

[00:51:41] It includes about \$10 million dedicated to public safety. It includes 2.2 for human services and housing, workforce and service delivery, 3 million, revenue sharing, 2.4 million. I've not really talked about that today, about the relationship and partnership that we enjoy with Charlottesville City.

[00:52:02] They are a valued partner. And in 1982, there was an agreement that was reached, a vote that was taken by Albemarle County voters to enter into this. And since 1982, I believe that was 43 years ago, the payment from the county to the city has steadily grown. And next January, it will cross the \$20 million threshold. We will write a check next January to Charlottesville City for just over \$20 million.

[00:52:31] How much of growth, how much will it grow in this budget? Revenue sharing will grow by \$2.4 million per formula. The CIP in debt will require an additional 2.4, along with community partners at 1.9. So we are able to answer that question of where does the new money go?

[00:52:52] And so, board, here's what's next. Here's our fiscal year 26 budget calendar, where I talked about an ambitious number of work sessions tied in with town halls in each of the districts across the county, as well as work in lane auditoriums with public hearings.

[00:53:18] And then finally, on May the 7th, we hope to be able to approve and land this budget. And so, board, I'm longer than last year with less slides, so apparently I had a lot on my mind. But I usually talk with the staff about the necessity to be able to remind ourselves where we've been, where we are, and where we're going.

[00:53:44] So let me close by saying, where have we been? We've been in a pandemic from 20 through 22. We pulled down \$40 million of federal money, and we aptly distributed that through our community to

help our community sustain through a two-year pandemic.

[00:54:01] Coming out of that, we had significant recruitment and retention issues with our workforce because workforce was turned on its head. We leaned in hard with the board's support for workforce stability because we knew to stabilize our workforce meant that our customer service delivery would be better and that we would positively affect our community's quality of life.

[00:54:25] So where are we now? Where we are now, after leaning into four back-to-back FEMA Safer Grants, I am recommending a dedicated 4 cent tax rate increase. 80% of that, or 3.2 pennies, will go to public safety.

[00:54:41] The remaining 8 tenths of a cent to be split for additional tax revenue for schools in the first ever affordable housing continued funding stream. And then finally, where are we going? Where we're going in my mind is a commitment, and this has been expressed by this board, to look for tax-based diversification.

[00:55:04] That means broadening our tax base. That means recognizing that that 7.1% in residential growth for our homeowners puts a heavy burden on our homeowners with tax assessment and an increase in residential taxes. By broadening the tax base, we will look for continued appropriate private investment in economic development.

[00:55:27] We will also look to the General Assembly for additional help on maybe the opportunity to do things like consider a one-cent sales tax referendum that would be devoted to school capital. These are all strategies to help us lessen that burden.

[00:55:43] That will take time more. That's where we're going. I look forward to the opportunity to work with the board, the staff, and our community during the upcoming work that we have ahead of us. I would be out of touch if I thought that what we've recommended to you will go untouched during the upcoming work sessions.

[00:56:01] I know this board's going to roll your sleeves up. You're going to work hard with us, and we're going to continue to work to meet the needs of this community. I'd like to thank our staff again. I'd especially like to thank our budget staff, Abby Stump, our communications director. She's done heavy lifting along with the budget team to get us to where we are today. Mr. Chair, I'll turn it back over to you. Thank you. Presentation. I'll go to our order. Question

[00:56:26] or comments? Thank you, Mr. Richardson. Sobering presentation, or perhaps maybe we'll take that comment. I have a couple just clarifying questions so I don't understand some of the information there so I think I'll go through those real quick um on fly 27 this was your 9 million to the health

[00:56:59] care fund does that 9 million figure include the six student schools or in addition to the six it includes the 6.2 free pools so the six point so what's going to the local government to the schools all totals nine that's just the uh that's the split with the number of employees that are in our school system versus the employees that encompass the fund from local government there's a formula so if you have x amount of increase we're gonna we're gonna uh tally that out based

[00:57:35] on the weight of schools and local government and so that one-time funding would come from local government over to schools to help them with this uh cost increase I just want to make sure it wasn't 15 but you know that's a good question thank you um the oh on slide 10 the revenue remind me I can't

remember from when we had our first session in the fall revenue growth assumption that's on slide 10 is it like four percent or yes approximately um it did not include any rate increases or the impact

[00:58:15] of the reassessment and then i i presume at some point we'll see if the recommended tax increases what that chart would what would happen to that chart at some point one of the work sessions yes i'll just call this out i'm not looking for a response today i i suspect i know a lot of the reasons why but i think it because we're putting such a dedicated amount into the police department which i agree with um having done onesies and twosies and positions over many several over

[00:58:52] several years um but i i think i'll be interested in learning what what you all what's the driving forced to do that now. Fire, I think it's been clear what's been driving that over the last handful of years. But when we get to whatever work session that includes that, that's something that I think not just the supervisors would be interested in, but the community will want to hear about. Are we going to, I know with some of the positions in the department, Jacob, are we sending

[00:59:27] emails through Andy as we have in the past, or is it going through a different person? Position changes have made that process change at all. Yeah, questions for, you know, usually we send budget questions ahead of time so that we can, I just, is that going for you? Yeah, it'll come through Mabel and Andy and I'll work with the slide set. I saw the dates for the town hall meetings on the slide that was here. Has that already been released and sent out to the public as the community? These dates are posted and are out there. Yes, sir. Our tape director is saying

[01:00:04] it sure has. Then I think I'm going to throw this out there now just to give it some thought. Again, not looking for a response today, but it occurs to me over since now we have Sphere that's showing us our results of things that we've done from the strategic plan. Now that that exists, I start to wonder as we discuss different departments and different things with the new increases, if we could maybe think of, all right, well, what would we expect to see in the Sphere report with these

[01:00:43] new investments coming. I know that we always attach things to, well, this is to the strategic plan. This is how it goes back to the, you know, I like how those threads are drawn, but I think we can get a little conceptual and go, well, if we put six new officers on the streets and we have two per shift in our sphere report, we would expect to see these things to happen. I think that's going to be helpful in a lot of different areas as we go through this budget, especially for community members who are asking you know anytime there's a tax increase that you know where's the money going just as they have property value increases that have gone so I think that

[01:01:19] would be a helpful part of the conversation uh as we move forward but those that's but thank you again for the presentation that's all I have thank you thank you very much um many questions that I will wait for discussion time for um but I do just a little cover I should have written them all on separate piece of paper. Very appreciative of the effort to diversify revenue going forward,

[01:01:53] but the unanswered part of that is the benefit to residential taxpayers only happens if we're able to control the expenditures. In other words, we're not going to be able to reduce that burden if we continue to go up with our expenditures and as population growth continues to happen and make everything possible and that's going to be a big challenge that we're all faced up as someone who failed miserably in the 2008 to 12 time frame to get new police and fire staff i'm really grateful

[01:02:27] for the big leaps that which have happened and i think that going along with that important to keep having available the increases in cost for service that are that have been felt in the last year particularly so that people can understand the benefit and how it impacts them. I mean, speeding enforcement and things like that are the primary drivers of misery in the residential side of whether it's rural country roads or it's urban neighborhoods, people cutting through to go somewhere else because they think the only important person in a home is themselves. So

[01:03:05] those are all things that would help to tell the story very well, I think. The near that, that all right uh capital things this is in my mind it's been so painful now because we put it off for so long and just similarly as the revana board yesterday that i will call monstrous capital

[01:03:42] program going forward is because everything was postponed and people did face up to the million dollar thing and now it costs 20. and so this is i'm appreciative of the effort that everyone has made to do better with our CIP investments as painful as it is right now because next year it will be worse. I would ask you to also include the federal workforce program in your discussion of how we're working with others to PBCC, UVA, et cetera, because the BCWP is the facilitator for

[01:04:18] the UVA pathways and the PBCC program ties all those together, helps to bring the federal money into this area. I hope that that's a section of federal revenue which will be maintained because everybody needs employees and this is one of the ways where we help people who are transitioning from one job to another to get the training they need. And I would just request if we can have a PDF of the slide 32 and then we can include newsletters, make it into smaller things. It

[01:04:55] come out better if i'm copying it out of a pdf and take it out of here and share it to the general announcement and i think that's all i have right now thank you supervisor pruit um sure i just want to begin with one point can we get there was a schedule uh up on the screen uh give me one second what slides there it is yes so i want to draw the public's attention to this right um let's Let's look at March. There's a bunch of work sessions. And then on the 19th is when we advertise

[01:05:35] the tax rate. We're going to barrel the camera there in the back of the room. Any changes to the budget realistically have to be agreed on that are going to change the overall number of the budget need to be agreed upon by that time because we are going to advertise the tax rate, which really locks us into a level of decision. We can always advertise more, but realistically, we don't do that. It shows a level of indecision and instability, right? So that is a point in time that is really important that I think the public can sometimes overlook, right? This means if there are significant things you think should be in our budget before then, getting involved in those work

[01:06:13] sessions, actually attending, knowing what is said in those, and coordinating with your members of the board before that is really critical. That's not something that always happens realistically. People try and jump in during April, jump in during May, and realistically we have very little wiggle room after we've advertised that tax rate. I want to turn to staff to make sure I've not said anything that is out of pocket or incorrect, but that is my understanding of the position we find ourselves in. I would just restate what you've said on the 19th and say that the board will set the maximum that the rate can be, but between the 19th and the time you land the budget in May,

[01:06:51] you're exactly right. That's the top and then it can go down or it can stay the same, but that is So that is a watermarked time that we're focused on, is that time. Thank you. I want to also look at our revenue projections very quickly.

[01:07:12] We don't need to go to this slide, but there was the slide that we discussed, all the economic indicators. This is slide 15, if you want to just tap it. Sure. Let me go back quickly. That's the fastest for me. Sorry.

[01:07:29] So I want to, we were already briefed by Peter Lynch. Again, this is for the public. We were already briefed by the county assessor on the nature of the real property assessment, and Mr. Richardson touched on this, but I want to make sure everyone heard very clearly, right? We have seen an increase in real property assessments, but that is almost entirely being led by single-family detached homes.

[01:07:50] I want to emphasize that. Single-family detached homes are going down. Other things are going down, and I raise this because the thing I'm focused on in the budget right now is housing, and I want to draw attention to what that means for the community. That means we are at or just past an inflection point that we talk about from a market-based housing approach.

[01:08:13] We are seeing multifamily homes decrease in value. Their assessed value is going down. That is very exciting because that means that affordability is going to occur slightly more naturally. It's also relevant for these conversations because that is most of what we build, their value is going down, right?

[01:08:32] So that has potential impact on our revenues moving. I just wanted to highlight those two issues. Because so much of, I should also state, I've said publicly, and I'm going to just reassure, I am committed to a \$10 billion annual investment in the housing trust fund. That is significant. It is hard to get there with what we've got. So I'm going to talk just openly about a few things that I would have curiosity about. We talked about this last year, but the TOT tax, right? I guess it's actually

[01:09:06] just that TOT, it's the second T tax. The TOT. So this is, this is revenue diversification. This is something that doesn't fall on our own resonance, right? This is facing people. This is paid to serve folks who are coming into our community. There is some market-based inflection point there of when a higher TOT starts to actually reduce our revenues because it discourages new folks, right? It discourages people coming here on vacation, makes them look at, oh, maybe

[01:09:46] I can find a holiday in Florida or something. I would be interested to see whether or not we thought we could push that. I know this is also a tricky thing because we would probably have to move in lockstep with the city because otherwise we'd be fighting each other and undermining each other. But I imagine they're also thinking these same kinds of things. So I would raise, it'd be interesting to have a conversation about whether or not there is any flex on the tot um without kind of undermining ourselves um i i know um our financial team is aware of my continued kind of

[01:10:23] fixation on this minor issue but i've got raising for the public again um which is currently our personal property tax rate and our machinery and tools tax rate uh walk and lockstep machinery and tools, faces mostly businesses. And specifically, it's used in the early stages of solar field development. I'm not interested in disincentivizing solar development, but I would be interested in finding a tax scheme that is more business-focusing, that is not falling on citizens. We have several groups of solar development that are going to be paying machinery and tools. I'd be interested in exploring raising machinery and tools separately from personal property.

[01:11:04] And lastly, this was something I know our neighbors talked about in some depth last year, but there is just, there are progressive elements, and just for clarity, right? We have progressive tax rates, we have progressive tax rates, we have flat tax rates.

[01:11:23] This doesn't relate to political ideology, this relates to who it taxes in the income scheme, right? We are almost entirely given regressive tax schemes to work. Those are the only things we can work, which kind of blows. But is my understanding that the state has certain progressive elements in the personal property tax scheme, right?

[01:11:46] Like the first however many thousands are exempt, other methods of how it scales along this. I would like to, at some point in one of these work sessions, be briefed on exactly how that works. Like what is it that makes the personal property tax scheme slightly more progressive than real estate property?

[01:12:07] Because I think that would inform our thinking about how we work with these really two main levers we have, right? Everything else is tinkering on the edge. Personal property and real estate are the two actual levers we have most of the time. Those are my closing thoughts on taxes.

[01:12:25] I do want to look at slide 25 and then also 26, because both of these are talking to different funds we have. This is the housing trust fund and then the economic development fund. My understanding is that the Housing Trust Fund has a really de minimis amount in the pot currently, right?

[01:12:48] And we had those obligations tapped quite early, right? Before halfway through the fiscal year. I just want to clarify if that's true, right? It has like five papers in it, right? Like \$10,000 or something. Yes, it's less than \$100,000 right now.

[01:13:05] And that was after we put 2.6 in last year. Is that about right? And we had a little bit of carryover, but not much. 7 million that's in the ballpark um and I just want to raise that it was tapped very quickly after having been put up to 2.6 last year um the economic development fund I actually don't remember that's the next slide if we have rollover in the economic development fund um currently we're somewhere around 1.5 million in the economic development fund maybe you know off the top of your head if any of that's obligated I think some of it is but I

[01:13:43] Yeah, some of that 1.5 may be obligated, but that would be in addition to what we're recommending for next year. I raised that because when we talked about the Affordable Housing Trust Fund before, you've heard me say this, but I am always interested about, like, basically, how long is the line waiting for when unobligated funds are available?

[01:14:07] And the line exists, right? There are known developers who are just waiting for money to come online so that they can send an application through a NOFA, right? They jump the moment there's money available. My understanding is that that's not what, that's not how we use the Economic Development Fund, but I'm always curious kind of how we can compare those two things, and it would be helpful if I'm going to have to be justifying this, right?

[01:14:39] When do, so we have a new courts facility coming online that's going to have personnel, and we also have a paid, and also, frankly, debt service, which I don't think we're servicing yet. The operating costs, we're planning to get a partial year in this year, and that will ramp up the next few years.

[01:15:01] The debt service, we are, because that project has taken a bit and it's been under construction for some time, that will really be issued probably across a few detunances. So we're not at the maximum, but we're in progress towards issuing all that debt. And has the jail hit yet as far as debt service? When is that going to start?

[01:15:21] It will start to ramp up next year. We have a placeholder of about \$650,000 in the budget to identify. And first of your work session, we'll discuss public safety and talk a little more about that timeline and how that ramps up. I do also want to raise, we don't, we have our own funding split.

[01:15:41] We see that we have 2% of federal. We've heard me expressing concern about federal, but there's a lot of the judiciary has thoroughly pumped the brakes on the concerns I have there. I also know that we don't have the school's funding, as in the school's own budgets up on the screen in a nice pie diagram.

[01:16:01] They have a similar like two to three percent that is federal. That is under, I think, much more tangible and realistic threat than our own split. It will be something I'm looking forward to when we are meeting with our school's counterparts during the work session to understand what their plan looks like if they lose that money.

[01:16:23] because the general administration has challenged Albemarle County public schools by name to a game of chicken. And my understanding is that our school board isn't interested in Blinken. So that will potentially be a conversation we have to have and what that is going to look like from the school's perspective. I apologize. I tried to find it in here, but without control, I can't actually remember where it is in the document. I know members of the public have asked about the

[01:16:57] the emergency relief program, and people in the room will remember, had fought quite hard for a very minor increase in the emergency relief program last year. What is the funding level looking like this year? The funding is included as part of the Department of Social Services.

[01:17:15] In the current year, it's funded about \$260,000, and that amount is unchanged into the next year. That's all. Thank you. Mr. McBride. Thank you very much, and thank you for the presentation.

[01:17:31] that was extremely informative and look forward to going through quite a number of meetings for this for the public. Bringing up affordable housing, I would like to know, especially for the public, how many homes, affordable housing, how many homes have we built maybe in the last few years? How many are in the pipeline? When are they expected to come to fruition? Because I think

[01:18:03] it's important to know what we've already done and what we're doing. The transit occupancy tax, that we increased ours because the city increased theirs. So I don't know who's going to want to decrease that. That is a source of revenue for us because as we know, we normally get it from our personal property tax and we also get it from real estate tax. But the TOT and meals tax. That's a way of increased revenue for us, along with our plastic bag tax, which goes for

[01:18:42] cleanup. And there's one other one that we have. Anyway, it skips my mind. I'm concerned also regarding the federal and state revenues. Will they be there? I think schools could be problematic.

[01:19:02] even our own county government those funds could be problematic we don't know so i think it's always important to have kind of a plan b contingency plan i am concerned about the amount we're given for school renovations because i do believe uh the schools since 30 we didn't pass the one set sales tax and they can get it for building then that might need to be adjusted

[01:19:35] somewhere to be able to increase that because that's something I think is very important for schools. We're building three new schools, but I think an increase for renovations for whatever we need to do to bring our schools up to par. I think our educational system is the foundation for our entire

community. Frankly, that's our future. So I would look forward to seeing there's a decrease, you know, be able to increase a little bit for schools, a little bit more than you were already suggesting.

[01:20:15] I know we're looking for diversification in revenue opportunities, and that I really encourage. I think that's something we need to do to have more of a diversified revenue. And that's something we're going to have to work with the state.

[01:20:31] Thank God. Actually, that's it for me, buddy. Supervisor McKeown. Thank you. And thank you for the presentation. And thank you all for all of your hard work, because I know it's been weekends and late nights, and it's just really appreciative.

[01:20:53] The presentation was good. I do, I'm going to try not to cover anything that folks have already covered, because we've been through a lot, right? There's lots of questions here, and that's great. Just, Jeff, can you just quickly address one of the issues around firefighters?

[01:21:16] Because I think it's important for the community to remember that we have volunteer firefighters that are going away because they're aging out. And I just think that, wow, it's good to just refresh people about why the need for firefighters at this point.

[01:21:34] And our chief is here. I've seen him in the back of the room. And if we got, we'll devote more time into the technical pieces of this. But our service is a combination service. And Albemarle County has enjoyed a rich history of really superb work from all of the volunteer fire departments across Albemarle County for decades.

[01:21:58] And this board last year looked more specifically in one of the urban stations and one of the rural stations. And in one of the rural stations, we looked at call data to suggest that we had volunteers well above the age of 65 that was running call for service days, nights, and weekends.

[01:22:18] And then you look in the urban ring at the increase in calls for service for both fire and rescue. And we've seen a marked increase in calls for service in the urban area over time. The system is interdependent in that both the professional paid and the professional volunteer services in any particular area of the county.

[01:22:42] Several calls within a certain period of time is going to move all of the pieces on the chessboard around in order to maintain coverage across the 725 square miles. Over the course of really probably 10 plus years, Chief Eggleston and his team, along with the volunteer chiefs across this county, have worked to try to make sure that there is an appropriate level of staffing at our volunteer departments, days, evenings, and weekends, to be able to answer calls.

[01:23:13] And at any time that that is diminished, then that means that Chief Eggleston and his team have to step up and they've got to cover the areas where there may be gap coverage. And so over the course of time, we've experienced in different parts of the county how this might look.

[01:23:29] And it oftentimes looks different depending on which department and which part of the county that you're in. All that being said, about five years ago, the board said, we've got to address this more strategically because we see this as a slow move toward diminished services in some areas of the county.

[01:23:49] So what's a strategy? And the strategy was for us to step up and go after a succession of FEMA SAFER grants through our federal government to pull federal money down that is competitive. And so we've been successful four times in a row in order to be able to pull federal dollars in, \$12.7 million over

four FEMA Safer grants to supplant the loss of volunteer services with 57 firefighters that have been spread through the county, both in urban and rural areas, to help to better cover the gaps when our volunteers, they just can't do it.

[01:24:24] Whenever they're working, they're working further from home. They've got other obligations, and there's also more demands through the state for training. It's very difficult, and so Chief Eggleston, his team, our volunteer departments, have done wonderful work. There was a recent JLARC study that was a report that was done through the state, and it speaks to the national trend, and then it makes a more close look in Virginia, and this is happening everywhere across the country.

[01:24:54] And I just deplore our volunteer fire departments for what they've given this county. They've saved our community millions of tax dollars over decades for the services they've provided. Thank you. And I just want you to address that today because it is a big part of what we're talking about with our budget.

[01:25:12] And there are people that are here and listening today that might not be at the next work session when we're talking about it. So that's why I asked the question. Thank you very much. I think I'm going to have some people say to me, there was nothing mentioned about climate change in the environment.

[01:25:27] Right. Can you just address when that might be coming? Because I know people will be asking. Sure. Today really was focused on cop drivers and looking at a lot of time being spent on the dedicated four cent tax rate increase.

[01:25:49] And so we're looking at 80 percent of that of that new money through the recommended tax rate increase going to public safety needs. And as I've said, the two four tenths of a penny equally split between public schools operations and a first ever dedicated funding stream.

[01:26:06] The three cost drivers that we focused on primarily was goal one, which is public safety, goal five, which is public education, and goal six, which is workforce stability and customer service, continued investment in customer service, which includes business technology, our systems, and how we deliver our services to the county.

[01:26:27] The remaining three goals we're going to talk about with more specificity in the budget. They don't have the cost implications that some of the other work that we're doing has, but we are trying to make meaningful progress in those areas. And we'll be ready to talk about that in detail when we get into the work sessions.

[01:26:46] That's great. And I appreciate that. Could you just, and I think we can do this quickly, remind everybody of what the split is that we normally think about the schools and county government and how much if you're looking at an increase of a percent and just quickly review that for everybody again while people are listening here I'll let I'll let Mr. Bowman do that just to make sure that I don't say something wrong are you okay walking through that real quick yeah That's Andy Bowman, Assistant Chief Financial Officer.

[01:27:22] Sorry, I hadn't introduced myself prior on the page. In essence of it, and I'll share the full formula, it'll be in the document for anyone who wants to go really into details, but all local tax revenue and undesignated state revenue is put into a kind of a total number.

[01:27:40] From that, we deduct things that impact the tax revenue, like the revenue sharing, tax relief from the elderly and disabled, a couple other small things. That revenue is then split 54% with the public schools, 36% with county government, and then 10% with the capital and debt program.

[01:27:58] And that split will apply for all of our existing revenues and the personal property tax rate increase, which is different this year and has been different in past years when the board has weighed this. So those four cents are dedicated on a different split based on the particular circumstances of the budget.

[01:28:16] that policy is an annual guideline the board may review annually and this would be one of those times for the board to consider as they consider how to amend the county executive's recommendation that's perfect thank you very much i appreciate that and while we're on schools i just wanted to say that one of my requests for school from schools is going to be the impact of their budget with collective bargaining, and I would note that perhaps when we talk about transit,

[01:28:54] we have the same impact, and I'd like to know about that as well, and at some point, we're going to have to talk about, and I don't know if it's a budgetary discussion, but how that might impact the authority, having said that, so that's one thing.

[01:29:11] I agree with folks. I think you've heard numerous people speaking to concerns about this federal and state situation. So I would very much like to understand really and have the public understand one thing, what we have put aside, but the impact is what may be coming down the road and how.

[01:29:41] And I know you can't predict what you can't predict. right i think there's concern about from us and the community yes ma'am as we're seeing and it's often it's very nice to have mr bowman off my left shoulder to add to what i said uh or what i'm getting ready to say uh the federal funding uh how the county's attached to that i think we've ran some initial analysis and it's somewhere around it feels like it's about two percent of the budget and about nine million dollars correct um and and our budget and on a parallel track to

[01:30:17] that our budget stabilization fund which this board judiciously has worked to grow over the course of time is now in the neighborhood of 10 to 11 million dollars and so uh christy shiflett jacob sumner and part about our leadership team we are doing management contingency work right now which would be almost on parallel track to this budget process and what that work involves is just continuing to examine the decisions, the policy decisions, and maybe funding decisions that are coming from the federal level that could impact state, could come through the state, and then

[01:30:52] impact local government. We're keeping a watchful eye on that. And the budget stabilization fund that we've grown and protected, that could be in a time where we pass the budget and then realize that we don't lose money. That could buy us time with that stabilization money.

[01:31:12] to not have such a dramatic effect until this board and staff figures out what we do long-term. So it's a short-term strategy in order to buy us time as the work at the federal level continues to shake out. Bowman, anything you would add?

[01:31:30] I would not. Can I even say just direct? That's great. Thank you. And I'm trying to stay right there. Would you pay him to say that? You'd be surprised at how few times he said that. And I would add, with that question, I would be asking the same thing and we'll be asking the same thing with the schools.

[01:31:51] Yes, ma'am. So if you all are giving them a heads up on questions. That's great. The other thing that I'm going to be asking for, well, I guess two things. It gets a little bit to what Mike was talking about. I think it's important for us and the public to understand Mother May I was a state.

[01:32:11] There are things that we would love to do to diversify our tax base or to bring in revenues from other sources. that we don't have permission to do. So if we, and not for today, but let's just talk about that because I think it's good for not only us as a reminder, but for the community to understand that it's not just, we can do this.

[01:32:32] Yes, ma'am. And the last thing I have, you'll probably be glad to hear this last thing, is I think it would be helpful for me and for the public to understand the impact on our budgets.

[01:32:49] And I don't even exactly know how you would do it, but at least have a discussion about the impact on our budget for people who drive into our community but don't sleep in our community. That's a really different, hard thing, but they're using our roads, they're using our fire and rescue, certainly, our infrastructure, and it gets a little bit at, well, I don't know, I'll just leave it at that, but how to talk about the impact of how on our budget for people who drive in, use our services, and then leave. And I'm not criticizing them. We're

[01:33:26] certainly happy to have them. I'm just saying that it's good to recognize that there is an impact on our services. I know we don't have time for me to comment on everything the board says today. And sometimes the board is talking out loud about things they want to hear about later not today. Yeah. But when we talk about broadening our tax base and we talk about diversification of tax base, one of the things I briefly mentioned earlier was the General Assembly for the second year in a row is considering at the general assembly level a one cent sales tax that would be earmarked for public school capital in this community that one cent for the county equates to 25 million dollars a year and that 25 million dollars is captured off of a dedicated one cent

[01:34:06] sales tax that's captured from economic sales activity in this community and you hear in the local government world a term of nighttime population daytime population we grow from nighttime to daytime population. People come here for services. They come here for work. I know people drive out, but at the end of the day, we've got more coming in than going out on a day-to-day basis. We talked about that with our economic development consultant regarding Project Enable 2.0, is that we want to know more about what is that net of growth during the day. And when you

[01:34:41] talk about tax-based diversification, you're talking about picking a one-cent sales tax that is going to be paid to some degree by people who do not live here and pay property taxes that are the nighttime residential and property owners in the evening.

[01:34:58] And that suits a community like ours quite well when you're capturing something off of a daytime vibrancy, an economic vibrancy that then is plowed into capital to help us with the burden that we face with the infrastructure. So I think that's what you're talking about.

[01:35:13] That's what I'm talking about, but I think it's a good discussion. Well, especially for us, but for our community as well, because it's definitely affecting or affects our budget and what we are having to deal with as far as infrastructure and services.

[01:35:32] And that's all I have. Thank you. This presentation was excellent, and the questions that have followed, I've been very pleased to hear. A lot of the things that I was worried about have already been

raised, and I appreciate that. And on this last point, my understanding is there's also a study sort of being done that will look at cost allocations across different property types and how services cost for our residents and how that breaks down a little bit more in detail.

[01:36:02] Yes, I'll lead to our deputy executive, Ms. Wall. Did that resonate with what Chair Hendricks said? Yes, and that cost of service report will actually be on March 5th. Good, that's right, coming up. Excellent. A lot of the questions that I had have been raised already, not necessarily answered, but I'm trusting that the process and everybody's going through to get those at some point.

[01:36:29] And some of them I know that, you know, they'll come up as we get into some questions about schools and health care and all that. Two drivers that I guess are big picture things that I've been seeing a lot of emails about are housing and also climate. And I guess I would be interested not just in looking at this budget and how we've broken down what we're doing for housing, but as a more broad matter, what are we doing in the housing area in total?

[01:36:58] So look at all the different parts of our budget that impact housing and where's that money going. It includes staffing needs that we have within the county just to operate a housing office. And then the same sort of question applies to climate.

[01:37:14] I mean, we have a climate action plan, and I'd like to see where in the budget we're, you know, addressing our climate impacts and our climate action requests. And those are my main questions at this point, just to leave out there.

[01:37:33] I think I've also mentioned, you know, we did have some significant property assessment increases in previous years that were larger. I don't want to go back to 20 years, but it might be helpful for one or two years to go back and say, OK, those funds were needed to address these issues.

[01:37:52] So we have a little bit. You've done, I think, an absolutely tremendous job of showing where the new money is going in this budget. And it just would be helpful to have a reminder. Yes, sir. Respect to the past couple of years. Yes, sir. We're going to look to my right and left.

[01:38:11] just to put on the to-do list for when you come back um there was excellent discussion about the urban versus rural and the firefighting combined system and i just wanted to make sure that people also do and staff can do a more thorough presentation about this during that that work session that the rural stations back up the urban station so earliesville backs up 8 12 and so everything is in motion all the time it isn't just that the real station is sitting around all day doing nothing yes they're actually getting out and helping out because the cost of service in

[01:38:48] other places are so much higher so we can't do without any of them they all have to be continually in motion and uh and his staff certainly done a wonderful job of developing that the i also wanted to encourage you to keep the 366 in mind not just that we're automatically going to if things go badly, as many of us are worried about. I think the citizen angst all across the community is high on so many different levels, not just local government. But I would hope that we will not just gallop into our piggy bank and say, oh, let's just carry on just like we are, because things have

[01:39:25] gone bad. We have to say, whoa, like you did a few years ago, and think very carefully about what's essential, what do we use our savings for, and what do we wait? Because when the tornado tore out the elementary school in Louisa a number of years ago, that was what we used that money for us. The monstrous cannot be found any other way. Essential services type of thing.

[01:39:49] So I just want to leave those two ideas on the table. Thank you very much. Yes, ma'am. I had two very quick homework kind of questions also. So one of them, I think this actually echoes something that Supervisor Galloway was getting asked out. We'll make sure it's captured. When we talk about fire, you know, we have a very clear metric that's easy to communicate about when and why we need more fire personnel, which is response times, right? I have, reading our police department's, you know, annual reports, I've not actually seen much on response times in the police department, nor do I know if that's actually the right, like, punchy metric to measure

[01:40:29] the value of, like, incremental additions of patrol officers. It would be helpful to be able to understand like what is the two sentence like kind of metric that we can use and that we do use when evaluating them. And maybe we can't distill it, but I would be interested in if there is kind of a distilled metric that is looked at like that. Lastly, I feel like this is implied by wanting to make, last year there was a request for basically from the departmental level, what is everything that was requested that was left on the cutting room floor. It was a very helpful document that I think helped kind of channelize our own thinking and requests um I

[01:41:06] would also appreciate that document and if I'm mischaracterizing what that was that's exactly what it was this is everything that a department had asked for that we couldn't realize that no you I think you're characterizing that well probably you saw the wheels turning in my head and and again I know we're on borrowed time now I don't believe that we approached the budget process this year like we did last year, meaning that we knew we, when I talked earlier about the 3.1 percent gap, which equated to about a \$13 million deficit coming out, coming into this

[01:41:42] fiscal year, I don't believe we've worked with departments coming out of the gate for them to identify everything that they hope to get. And I see some nodding of the heads in the room. And so we're going to give you what we've got, but it may look different than last year. I just wanted to say that in the groups that I've been speaking with, the CECs and everything, and letting them know what's coming up and the expenditures we have and how there probably would very much be a tax increase.

[01:42:16] When they know the reason why, and especially as it relates to fire and police, that keeps our community safe. That is something that's extremely important for our community. And so that's something I don't I don't get pushback.

[01:42:35] So that's something that is good to know that where we are expending our monies. We have a lot of needs. I mean, we have housing, the climate action plan. We have our own personnel. But what I have to respect, I'm just going to say this out loud.

[01:42:54] I respect the fact that the team has come up under your leadership, but the team has come up with ways to help also our personnel with the clinics, with the health clinics. That's something that is innovative. And I suggest, actually, maybe if there are other innovations, other partnerships, which I think we include, which we always seek out, but are there other ways to save some money?

[01:43:24] I mean, we're creating the regional transit authority. That's going to be a game changer, right? So things like that, and for our economic development, be able to tap into something that's, maybe think out of the box, tap into opportunities that we're currently not looking at.

[01:43:46] Thank you. Just quickly, because I think I'm getting at what Mike was talking about. We used to talk in this community or, quote, very often the community that we had a ratio police officers to citizens

population.

[01:44:05] And we wanted some in the city talks about that ratio as well. Haven't heard so much about that ratio on the past few years. Maybe just an understanding of is that something that we're still using? I don't want to go into it now. I'm just simply saying, are we still using that?

[01:44:22] Is it appropriate now? Have we moved away from that? But that used to be something that I could use to the community and say, a town our size needs a ratio of such and such, and we're not there, and this is where we are. Excellent. Thank you. Thank you.

[01:44:39] Before you close and move to the close. Yeah, just going to ask for a sense of how questions will be answered. How questions will be answered, Mr. Bowman? These questions that we raise today, as new questions come in, we send them to Mr. Sumner, I think, is what you said earlier.

[01:45:01] We'll continue a series of work sessions, and many questions from the board will be answered on the spot. Some will take more time. We will be publishing on the website all Q&A we receive by the Board of Supervisors in full transparency, and also for those that can't be addressed in the room. The board is able to funnel those questions to myself and Mr. Sumner.

[01:45:19] We will make sure we keep track and also make sure we're sharing all Q&A with all of the board to make sure that everyone's working with the same information. Thank you. That's all I wanted to answer with you. Just an oversimplification, but when you give us those, I really like the color coding.

[01:45:36] If you know what I mean about the sheets, because then I can say, oh, you know, the paper, the color coding of the paper. So we know that this is a different set than it was. We've done that in the past, and that helped a lot. Also, the board has requested those in small batches, so that'll be our approach in.

[01:45:53] pages of q and a and uh i will also uh very soon it will also be published with the clerk for each work session put on the chapters in the order for those to be scheduled to help the board prepare full 300 page document is not going to be read by the first one so that's good thank you so mr chair but before we turn over to you to close the meeting uh uh while as mr merman wraps that up i'm going to look to my right and just ask are there big things we've missed or something that we really need to say on this recommended budget?

[01:46:25] Mr. Henry, and then right down the line. Thanks. Thanks to the board for the engagement and the questions. That really will help us approach the work sessions and the information that we provide. I would just add to the question, Roger McKeel had around the volunteer program, the combined services, the four SAFER grants have also been in response to volunteer requests directly to support.

[01:46:54] So I would just add to that lens of the board to date have responded and funded volunteer requests that have come in. Last year's budget wasn't, the North Garden request wasn't included in the recommendation, and we spent some work sessions working through that and the board made adjustments to enable that to happen.

[01:47:16] So I would just add to that. Perfect. Ms. Wall? I would just appreciate the board today and thank the board for your continued interest and questions in the budget as we go forward. Thank you. Nothing. Just echo the thank you for leaning in with us on the budget.

[01:47:36] I look forward to the many work sessions we have ahead and we'll be as responsive as possible with the request. So please keep your questions coming. That's all. Thank you. Thank you very much. We

actually had on our agenda, we talked about the agenda, but from the board, to me, reports and matters not listed on the agenda, I'll just look to see if anyone has anything they want to add today.

[01:47:57] We have a meeting next Wednesday as well. It's super short. That is on an on-site meeting with transportation staff as well as VDOT staff. I did ask a question again about the Russet Perry Rural Rustic Road Funding Bill that was passed, and it turns out that it is not in community development, it is at VDOT.

[01:48:17] Carrie said that's on our desk, Carrie Shepard, it's on actually the commissioner's desk to figure out what the guidelines are and they're fairly close to being able to release those so that then the community county can do something. So I was glad to get that information and thank you.

[01:48:37] Inaugural meeting of Carta happened. Isn't that cool? I do have a question. Someone just texted me a question about when will the budget vote be posted? If it is not online already, it will be early this afternoon. Thank you. I just saw a question come in.

[01:48:56] Nothing further, nothing from the county executive. We will adjourn to March 5th, 2025, 1 p.m. in the lane auditorium. Opportunities for the public to access and participate in this meeting are posted on the Appleboro County website, on the Board of Supervisors' homepage, and on the Appleboro County calendar.

[01:49:15] Participation will include the opportunity to comment on those matters from which comments from the public will be received. Thank you, Paul, for being here. Thank you. And I'm going to



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