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Albemarle County Board of Supervisors Budget Work Session, Wednesday, March 12, 2025

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[00:00:01] Good afternoon, a call to order this March 12, 2025 meeting of the Board of Supervisors at 3:00 PM in room 241, the MACDAR office building. And Supervisor Ann Malick of the Whitehall District, Supervisor Matt Galloway of the Bayo District, Supervisor Dan McKeel of the Jack Jewett District, Supervisor Brutus Christo Kirkland of the Rivanna District.

[00:00:23] Forum is present, see whether-- OK. We also have with us Mr. Jeff Richardson, the county executive. Mr. Andy here, our County Attorney, Claudette Lerkeson, our Clerk, and Travis Morris, our Deputy Clerk.

[00:00:44] Also here at the table, joining Mr. Richardson, our Trevor Henry, Deputy County Executive, welcome. Anne Wall, Deputy County Executive, welcome. Kristi Shuffler, Chief Operating Officer, Jacob Sumner, Chief Financial Officer, Andy Bowman, Assistant Chief Financial Officer, all welcome, thank you for being here.

[00:01:00] Also want to thank our Elbow County Police Officers present, Officer Tavon Richardson, I want to remind everybody as we get started to speak towards the ceiling which is where the microphones are and with that I believe we can begin by turning it over to mr. Bowman oh good afternoon to the board and the chair and thank you for the introduction we start today the second work session on the fiscal year 26 recommended budget again looking at

[00:01:39] the calendar we have ahead of us no action is requested by the Board of Supervisors today or Monday again as I said last the last Monday on the 19th the board will be asked to take action to propose a budget and tax rate if you're just tuning in online the significance of that is the board will be able to adopt a tax rate and what they've advertised or less but not exceed that also next week we'll be kicking off these seven town halls throughout the county over the following weeks in the effort that it goes with that so just another recap the process staff is going to present information at

[00:02:15] a summary level today I'll share it on Monday we spent a lot of time going in depth in a few chapters really with those that were driving the tax rates there are a lot more chapters today and there will be definitely times we slow down to talk about affordable housing and climate and the health fund and some other notable topics but some of the pace of the chapters will be quicker in staff's presentation than it was because there are more chapters but the good news for the board is staff has less slides to present today by about 11:00 so that's that's always a good milestone as always we're listening for the board for any questions or other potential adjustments the board may like to see in

[00:02:52] the budget and if you're tuning in anything not answered in the meeting is posted on the website for transparency so with that here's today's agenda and we've shuffled this around a little bit in the order of the book but the actually the very first thing I want to do is to continue the conversation from the end of Monday's work session about the allocation of shared revenues and how that 3.2 cents for public safety works in the future so we've done some some analysis of that to report back to the board and ask the board for a little bit of direction as we move forward I will then move through the chapters if the board would like a break before we get to health and welfare would be the

[00:03:27] best spot now share that we'll have at the end of the head of the table kind of a rotating cast of characters executive director of the lawyers here Kaki Demick and Emily Kilroy and mr. Davidson will all take that seat at some point today I will share that there's a lot here and staff does not want to rush the board's deliberation so if all we get through in health and welfare is today I would say that's okay we'll pick up the rest on either the 17th and 19th those last three chapters don't drive the budget in the way that some of the earlier topics do so we have a lot to cover but certainly this is the board's time but we don't give that time for the discussion that the board needs to

[00:04:02] have so I'll dive right into this picking up where we left off on this allocation of shared revenue this is just a reference slide the board saw the exact same one on Monday that discussed when we have our shared revenue uh how do we share that with public school operations county government operations and the joint cip and debt service funds and what we talked about is how that funding was going to be allocated in fiscal year 26 with 3.2 cents to public safety and we discussed in depth the cost that was supporting so where we left off on the

[00:04:38] discussion and we'll bring back the new information today is there's clarity that 3.2 cents would be for public safety in '26, and that would go into the base for future new years. But the question where we wanted to clarify, and this is really for the board's direction, is the change in that value of 3.2 cents as we head into fiscal year '27, how should that be calculated and considered in the future?

[00:05:00] The board has the full ability to pick either option on this. Staff does not have a recommendation on this. Our intent is really to help the board give guidance to staff on their preference for the majority of the board. So we have two options. Option A is to take that change in 3.2 cents and split it by the normal funding split of 54 schools, 36 county government operations, 10 capital in debt. Option B

would be for 100% of the public safety expenses to benefit from the growth in that 3.2 cents. So that's the concept, but I'm going to show some math that we did not have on Monday.

[00:05:36] So this is a lot of the figures, just for full transparency of how the math works, but this is a scenario to say that if revenues grew in fiscal year 27 by 4.9%, at least the shared revenues, that was an assumption we had in the five-year plan, it's just for illustrative purposes.

[00:05:54] How would that funding be split in option A during the normal allocation? How would it be split during option B where the growth was dedicated to public safety? A lot of information on this slide, but I'm going to draw attention to the far right column of option B compared to option A.

[00:06:11] So what would happen, I'll start with the purple line at the bottom. If that's an option B, if that growth in the change of those 3.2 cents was dedicated, we would project there to be about \$300,000 additional compared to option A that would be available for public safety.

[00:06:28] That \$300,000 would come from the revenue that would not be split to capital and debt, which is about \$50,000 and schools about 260,000 I should clarify that is not a cut to capital that is not a cut to the public schools that is less of an increase that they would receive otherwise in option A just again the math the actual amount will probably vary some that's a little bit of the order of the magnitude I was sure I thought of past dedications where the value has the value of a penny was less and where the amount of pennies dedicated were not as great and that would have not been as significant in the past but because we have those 3.2 pennies and the value of a penny is now

[00:07:07] 3.1 million dollars that growth and the value of those is a little more of a factor this time so I appreciate the board's questions and really wanted to get understand about how we get some clarity for this in the future so before I turn it over to the board we made a list from staff of potential considerations these are not all the considerations that the board could weigh but the first one I would say is just number one both options are aligned with the county's financial management policies to have a guideline and for the that the split of revenues that is a construct by the board supervisors and no one else so either approach the board takes is

[00:07:42] fine by the financial policies the second consideration was thinking about this and long-term financial planning the first point was and I'll say lots of board members made points if I didn't capture someone's board a particular board members points it's just because I had so much room with the slack one point was made that we heard in public safety we have a lot of needs and they're not all being addressed this year so in the future whether they be additional police officers that may be required additional support for the volunteer staffing additional costs for our partner public safety agencies option B provides the board a little more flexibility to address those in the

[00:08:21] future as the 3.2 remains because there is that 300,000 that would be available the other long-term consideration and this is one where because the recommended CIP was developed on option A there would be about that 50,000 over five years about two hundred fifty thousand dollars in revenues less than would be in the CIP now the board is not seeing the CIP that'll be on Monday I would say that if the board were to say let's just keep all projects equal there is a reserve that the board maintains in the CIP that could absorb that and still leave some to the board so if we'll continue this more on Monday but

[00:09:00] that is not something to be I think would necessarily be a deal breaker to say that CIP we'd have to delay a project or cut a project to do that Number three is really about complexity, and this is one where

I appreciate the board recognizing, as we talked about this Monday, they could tell the wheels were turning in my head and thinking through all the nuances in how we calculate this.

[00:09:21] What was on my mind is prior to 2022, the board didn't change the policy, but they streamlined the math. We used to have about a 17 to 20 step process. So this is an additional step, but that is still a much easier calculation than it was prior to 2022.

[00:09:37] to so staff thought through that the complexity it's it's not something that would be a barrier to implementation so we would have no concerns from from that perspective final consideration and this was alluded to by a few board members one Monday is really what is the simpler communication for budget board members as they communicate to the public and this becomes a recommendation from the county executive to the board that's just an open-ended question for the board to reflect one these are certainly not all the potential Considerations the board of the way of at this point. I would turn it back over to chair I'm happy to answer any clarifying questions

[00:10:12] But I think staff is really requesting if the board is ready to give some direction whether option a or b would be preferable as we Continue to move forward in the budget process. Thank you Mr. Chair we have Supervisor Pruitt. Oh, okay, excuse me. I'm gonna interrupt for just a moment Supervisor Pruitt has requested to participate remotely in accordance with the optimal Board Rules of Procedure, rule number 8B1D, Connected to the Freedom of Information Act.

[00:10:44] In order to do so, we have to have Supervisor Pruitt state the reason for his remote participation in his location and then a motion to, in a second, to let him in. So if Supervisor Pruitt is available, if he could come on and...

[00:11:00] - Yes, can everyone see me? - No. - Can you hear me? We can hear you, but we'll need to see you, and that may be a problem on our end.

[00:11:15] We just have to get you up on the screen. Like an issue with the screen share. Right. There we go. There you are. All right. Good background, right? It's a beautiful library. Reason and location.

[00:11:32] Yes. So I am away for work and was not able to get back in time. I'm at the Yorktown Public Library. And we need a motion to admit. So moved. Second. We have a motion from Supervisor LaPista-Curtley, a second from Supervisor McKeel.

[00:11:48] Without objections, the clerk will call the roll. Ms. LaPista-Curtley? Aye. Ms. Malik? Yes. Ms. McKeel? Yes. Mr. Andrews? Yes. Mr. Galloway? Yes. Welcome. You're in the meeting. Okay. If we can continue that. We all look at this point.

[00:12:04] Sorry. We are looking at getting board direction between the two options that are shown on the screen, between the split 54, 36, 10, or dedicating the 3.2 cents entirely for public safety expenses. Just getting a consensus or indication from the board as to what their preference would be before we move off.

[00:12:26] Supervisor of the Peace Department. If we can go, do you want just an answer or can I ask a question? Sure, you can ask a question, of course. Okay. Can you go back to screen eight? Yes. My original reason for me for bringing this up is I wanted to know if the 3.2 could be allocated just for public safety, as long as we're paying for the safer grant, and so that that's not in any kind of jeopardy because we have to pay those amounts.

[00:13:01] If that's the case, which I think it is, I don't have a problem dedicating that to public safety, knowing, and this is my question, at any point in time, that 3.2 can be removed or changed by the board.

[00:13:17] Yes. Supervisor McHugh. Yes. My preference is option B, dedicated to public safety, because there's such a great need and it affects everyone in the community.

[00:13:33] Having said that, I do want to just make a note that this in no way impacts the additional \$1.2 million that we're giving schools that's outside of that \$3.2 million. That's great clarification. None of this impacts the recommended \$26 budget. It's more that outward, long-term financial planning work that we're doing.

[00:13:54] That's right. So, option B. I'm not prepared to tell you what option I want to do yet. I'm still thinking this through. Is it safe to assume that the housing the 0.4 I mean that 310 is about 10% of the 3.2 million at the 3.9 point What's the max would be about 50 grand I guess and the out years for the point for it wouldn't go Yes, as the county executives recommended budget was constructed knowing that we had the water resources dedication earmarked It had contemplated that the growth and the value of that point for would already be dedicated to housing right that parts not a change

[00:14:31] I mean, but in just for my understanding if we had asked what that what those dedicated pennies met just like in this exercise that 310 262 and 48 would be much smaller for the point four Three tens what I'm looking at it. It's really not going to have much of an impact for that point four to remain dedicated in future yeah, so as an example the second line on the slide shows with the Dedicated or the the growth in the point the value point for in the growth in the point for dedicated to housing that would generate an additional

[00:15:06] \$60,000 in fiscal year 27. So the reason I'm not ready to say yet or not. I'm not against it I mean it was brought the idea up, right? It was like let's do this on the out years, but you know I'd like to do it not to complicate it, but if we could get to What we would expect growth wise for both departments of what we would need try to tailor the dedication to what we think and the safer can be part of that because those could be the positions you have to pay for it then I think it's

[00:15:44] just a little bit tighter for the out years I think cleaner taking that to the public than just locking up 3.2 because if the growth isn't saying that we need ten million dollars a year every year for public safety then we're locking that ten million off rather stop basically it's really the way it would work is that you know 10 million now is part of the base and I was just been sharing with the growth and public safety if only just to maintain the public safety pay scale and keep up with compensation barring some very dramatic thing I can probably safely bet and just that every year recently our

[00:16:22] public safety budget has increased more than three hundred thousand dollars I'm not understanding the move forward on the dedicated amount so you're saying we're only gaining three ten every year because you're saying that if we dedicate the 3.2, and assessments grow by whatever number you said, 4.1, 4.9?

[00:16:38] Yeah, 4.9. But that only nets for public safety 3.10 next year? Well, public safety would also have the benefit of all of the other changes in shared and non-shared revenues, just as they would in any year. So, for example, right now, the total amount of revenue available for county government, including public safety in this, would be \$6.6 million dollars I'm you know public safety and realistically in the budget year would have more of a share than three hundred thousand dollars than that in the same way that an option

a there would be a growth of six point three million dollars to split across all public say split across all county

[00:17:17] government services yeah see this is why I'm not ready to say for sure I got to get my head wrapped around it so I'm not I'm not opposed to going with option B I'm just saying I'm not ready to say I'm going to vote for option also I want to hear what reactions we get when we go out to the public and things like that as well.

[00:17:42] Senator Benjamin. Thank you. So just to clarify, because I often think I understand things and then it turns out I don't. The \$300,000 is additional on top of the growth beyond what the \$3.2 cents is for fiscal year 26.

[00:18:02] So we're talking about \$9 million plus \$310. It's not only \$300,000. Yes, that is correct. It's a substantial amount of money. Just like the 1.2 or more, if we end up making more for the affordable housing chunk, that is plus the \$60,000.

[00:18:20] So I just wanted to make sure that we are not losing track of what the original amount is that's going in, plus whatever the growth is. Yes, you are correct. Okay. It scared me there for a minute. I talked myself out of that, I understand. Okay. So are you happy here now?

[00:18:36] Yeah. Okay. Because I agree. I'm still not ready. It doesn't change my opinion. I was walking in with that Board does not have to make a decision today But I think this is one if B is where the board is leaning to we can prepare the CIP discussion of what that looks like With option B and the board still has the right to change their mind throughout the budget process regardless of what happens in these next two or three work sessions So my next comment is my whole frame of reference is based upon the 0.7 for water resources and reception that the public had for that because it was needed and essential and they had confidence

[00:19:14] that it wasn't just going into an unnamed bucket of stuff and that is what i'm hanging on to for this um i'm sort of horrified that it's four cents frankly but i understand why it's being proposed at four cents so i get that and how we got here and the perfect storm of all the other things that i keep trying to explain to people but i'm not precluding i definitely support option b and i'm holding back for i did will again be raising it whenever the appropriate time is about the rest of the split for the point eight because i definitely have a different thought

[00:19:53] about that i think the whole thing my proposal i'll put it out here right now and people can think about it until later um that if the whole point eight goes to the affordable housing chunk and it goes into building the principle from which we can then get the revenue in addition to that \$3 million that's already proposed to do that.

[00:20:13] All of a sudden, we're at something substantial enough to get a reasonable amount of revenue out and not deplete the principal because we are never going to get anywhere if we're just sending it all out the door the very first year. And that's where the unfairness of taking extra tax money from our lowest income taxpayers in order to be able to provide it for somebody else.

[00:20:38] That's a problem that I want to make sure we're all in this together and we're trying to figure out a way have it be sustainable so that's sort of my background on that um but i'm definitely in favor of option b right now thank you very much supervisor so um i appreciate that i've gotten a lot of clarity on this issue i think since when it came up kind of in our previous work session because i know i was one of

the few people who are seeking additional clarity kind of as to what this structure and the meaning of the dedication that's um moving forward um and what i guess i would

[00:21:16] observe and like reflect to the board is that um in both of these circles right where we're setting up a structure with a tail wax um we're setting up a revenue expectation that we are then saying would drive our um our choices rather than our choices of where to allocate um you know service growth rather than having our services reflect express community needs and then seeing how to address that in the budget, right? As in, the idea of endorsing option B creates a situation

[00:21:55] where we are going to receive an additional surplus of revenues. Public safety is almost entirely a salaries-driven line, and therefore it would effectively dictate what we do with our budget next year, being saying, oh, well, we need to at least grow this event. I say that but of course that's what we do every year with option a right every year we have that same kind of tail lag involved uh vis-a-vis our schools and our capital um i think it is probably

[00:22:33] more coherent to me to have a single uh and consistent expectation throughout the budget of how that relationship will work and i don't know that i mean all of this is a concept right all this is a construct that we impose upon ourselves so i i am uh finding it makes more sense to pursue option a because that is consistent with the rest of the budget and if we find that our growth needs in public safety outstrip that it is all a constant we can go back and say

[00:23:12] well it would actually be more appropriate if all 3.2 of those cents were allocated specifically to public safety like we have the ability to revisit that if we find ourselves in extremis i think just the planning consideration for the for the budget team as they move into 2027 it seems more internally coherent for me that we would use um a consistent split as the rest of the budget with option thank you i'm leaning towards a bunch of agreement with supervisor pruit on the simplicity of just

[00:23:47] recognizing that this is how we've done our split, and we will approach that next year as the default, but that it can be changed. I also worry that we could take this to extremes if we start looking at dedicating each increment a certain amount every time, although I don't think that we're really there, and so it's not something I feel very strongly about. Can I ask a good question?

[00:24:15] Sure. Because I didn't want to stop interrupting. Andy, could you speak to the consistency? sure so uh probably the best go back to uh this slide here it really speaks to the dedications that take place in step two so really what we would do is uh right now we would the next time we bring back the board's financial policies uh there would be added to step two the designated transfer to affordable housing uh which i've not heard any uh disagreement from the board on that

[00:24:51] Assuming that is ultimately adopting the budget and then we would probably add an additional phrase of a dedicated You know transfer to public safety or for public safety services. So that would be the kind of the language and how that works I'll say in the past before we simplified this there were more things that were listed. There's been less over time So really whenever the board decides today will always be an option available for the board to attend again starting point that we have to inform everyone with those respective shares and again I don't want to push the board to a decision they're not ready to make but if there's anything we can provide to assist the board additional follow-up

[00:25:28] other analysis we can put that together as we work through this budget process so I have heard board members the communication and how you all sell this budget whatever the board may decide to is

an important aspect for you all as well so if I understand it correctly the 3.2 if we dedicate that to public safety that can also be revoked by the board or changed by the board in any budget session is that correct yes and the point four for affordable housing in the

[00:26:00] point four for schools that is also a dedicated stream the board can make whichever decision they would like to do all of those proposed to be housing right dedicated but not with schools I mean that was the we did not prepare anything for the public school analysis because we've not had that requested by the board that impact would be much smaller because it is just the four tenths of a cent we we can prepare any scenario the board would like so the point four for schools could be dedicated funding the point four for

[00:26:40] affordable housing I'm hearing could be dedicated so right you know that way I'm not no I'm still in favor of option B to be able to knowing that we could change that at any point in time should revenues go higher or lower. So Mr. Chair I'd look to you to see if there's any final direction from the board members and if not we can move from this topic and jump right into the to the to the topics that we have slated for today given that it's a long list.

[00:27:18] I think that we're kind of split on this and should probably just move forward. I'll just throw it out there as food for thought, like this, because it goes to somewhat to what Supervisor Pruitt was speaking to. I want to understand more than just the dollar impact, the strategy impact.

[00:27:36] To me, it's about trying to align maybe some dedicated funding that both the police, the fire, and the county executive can count on to meet the needs of public safety moving forward. The fact that this year you pulled 3.2 out might not mean it needs to be a 3.2 dedicated downward.

[00:27:52] And that's where I don't know if the report will help when it comes in, what the real growth factor is, what our own strategy is to not just keep pace but maybe get ahead of. So right now, that's why I'm having reluctance of saying I commit to it. I want more strategic thinking involved in the decision.

[00:28:10] Because otherwise, what I'm afraid of is if we lock off or dedicate too much, and maybe the growth factor or some other factor doesn't require it, then we're going to immediately limit, unless the board changes it in that out year, what we can do departmentally for other places because that money will be courted out.

[00:28:29] And the positions in the department sometimes we don't get to tend to be everything outside of public safety. Parks and Rec, CDD, that sort of thing. So that's why I like the idea. I just don't know, is 3-2 the right number?

[00:28:46] Maybe it's a lower number, I don't know, but I'd like some more time to ponder that with a little bit more strategic thought behind it, and that's my request. And it just, it might be helpful to get at what Ned's saying for staff to think about sharing with us how that 3.2 was established, to just talk about how that number was established.

[00:29:11] The other question I have for Christy is, um, the study is going to, will the study that we're participating in at this point, it's not going to be ready until fall, but would that inform this at all?

[00:29:29] The timing is not right, and I recognize that. Yes. Our, our hope is that the study and all of the information we, uh, learned from it would feed next year's budget strategy. Would inform this very decision. Yes. And we can always direct the future dedication next year in the preparation of the budget

and then make this decision then. I just don't think we have enough. We just have the math right now. So going back to that study is really going to be critical because that would inform this decision is what in my brain.

[00:29:59] Well, it will speak to for next year advisor Galloway's question about getting ahead, needing to get ahead. What more do we need? That is, I think, what we're hoping from the study is that we'll have a strategic plan on the things that we need to do.

[00:30:15] So that's very helpful for me to hear. Thank you. I think there are a lot of things for us to get to today. There well I think we're I hear a lot of things that I think are bigger than what I've had because over the years there have been many many dedicated things that when it changed I mean there was dedicated money for the ACE program for four or five years and when it got executive at the time said amazing the recession we can't do this right now that was the end of it so there's no locking up of the money beyond its need or if some other crisis comes up so I

[00:30:53] I have no concern at all about this. It's strictly the predictability of what it's for and the story about it is the way it was presented to us in the beginning, and that's why I think it'd be quick and I'd just argue about it anymore, but I think we're going down a rabbit hole here.

[00:31:11] Thank you. With that, we'll dive into the content for today's work sessions. Again, always with the strategic plan, much of today's presentation is framed around how these changes in the budget contribute to the six strategic goals.

[00:31:29] we will start with the general fund expenditures and in this chapter we're gonna focus on two primary changes that really just appear in budgets across the county just for perspective this is the total general fund we discussed the calculation for the transfers to schools and capital bulk of the left half of this donut we talked about public safety dark green 16% piece today the plan is to get as far as we can through the other pieces of circle so in cross departmental general fund expenditures we want to spend some time talking about the market adjustment that is proposed and also the transfer of the health fund

[00:32:08] because in any budget those are notable drivers and so to kick that off I'm willing to turn the market piece over to Christy Shiflett our chief operating officer to address that portion good afternoon so we're gonna lay out the all of the different ways in which we're addressing the salaries for the workforce and and then the next slide we'll talk about the impact of some of this that we have seen so the compensation philosophy for Albemarle County is to attract and retain quality employees while maintaining internal

[00:32:42] equity and external market competitiveness and so for FY25 we found that every organization or competitive market including state and funded positions received between a 2% and a 7% pay increase.

[00:33:00] At the time, we in Abmore County did not increase compensation because we had just finished the comp and class study, and we had submitted much recommendations for increasing the compensation based on market.

[00:33:16] So we chose not to make a change and let those numbers go through. So instead, what we've done is through programmatic benchmarking, we found that some positions, not all, are a little below market and have included those increases in this FY26 budget.

[00:33:36] So for FY26, we have information that the state-funded employees will be receiving a 3% increase. And so you'll see that cost of living adjustment there, effective for July 1, is in this recommended budget for all staff.

[00:33:54] And then we, it will move, that will move our entire competitive market, that 3%. And so that's the reason for that COLA. And then we also are applying an increase in our public safety pay scale.

[00:34:10] And that's a 2% step increase that we do, that we've committed to for our public safety pay scales to actually work the way it's intended. So starting pay for police officer and firefighters at entry level, and this is just with no stipends or anything else, is \$53,040 right now, and that will move to \$54,631.

[00:34:37] And I put that in knowing that that was something we all would probably want to know. So everyone on the step scale will move up one step. And then the next item is the expansion of the police and fire rescue pay scale from 26 steps to 30 steps.

[00:34:57] This was something that was actually recommended in our Compton class study from Gallagher that we had. But at the time, we had so many other competing things that we needed to solve, we delayed that. And so we are requesting the implementation of moving those scales this year in 26, from 26 steps to 30.

[00:35:17] And this actually matches the current scales for our sheriff and ECC. And then the last item on there is our career development plan for our fire rescue. And that is just that we, this addresses the aging workforce and allows for succession planning.

[00:35:39] For non-supervisory positions, the firefighters are able to move to supervisory positions a year sooner. So with that, I just wanted to share that the benchmarking, I'm sorry, the benchmarking work that has been done in that 1.3 was our HR department goes out every year, part of the market compensation philosophy and benchmarks positions in our organization.

[00:36:09] So they reviewed 152 of our positions and that was affected 619 employees. That's including our public safety. And so not all of those will change, but we did want you to know that that many was reviewed.

[00:36:27] And so that will, this 1.3 would allow for that market-based benchmarking and reclassification to occur. So again, we're being more strategic about less across the board and more related to positions and market. Okay, thank you.

[00:36:46] Okay, so for the next one, this shows you, I think Mr. Galloway, you commented, so how are we doing? So this is really one view of the comp and class implementation.

[00:37:02] You heard, this board heard about significant challenges we had in turnover and filling positions in FY23 and the capacity that we were giving to interview and selection processes. And as you can see, things are improving, and we expect to see these numbers improve even more.

[00:37:22] But this projection or the average in FY24 just shows that, you know, this number fluctuates in our vacancies. But it doesn't mean that we saw these numbers going down all the way across FY24.

[00:37:38] And then lastly, where we are today is a much improved turnover rate. And so that is where we're aiming to stay below 10 percent and because of the cost of turnover. Our data in front of us does not include our retirement retirements this number focuses on the organization's performance for unplanned

and Voluntary turnover and so today we we have less than 40 vacancies currently. That's all that I had on these two slides

[00:38:15] Thanks. I'll go through and talk through the impact of the health fund I was at the school board meeting Two Thursdays ago to walk through this information with them because same information this will be a slightly shorter presentation just in the interest of time today, but I was there because we have a joint health fund with public schools county government and many of our partner agencies and Part of the reason for that is the greater our numbers and we work together that helps ensure our risk in our self-funded model

[00:38:50] What it means to be self-funded is that we are entirely funded by the employee premiums and the employer contributions That then pay all of our health costs in a I'll say it may be more to older traditional model You may have a smaller employer base and you would need to opt in to pay an insurance company to manage everything So you may not have flexibility in plan design you may not have The benefit where if you have a good year You don't get that money back from the insurance company to retain for another year And of course, there's the other side of that, where if you have a bad year, well, then you're fully responsible for that risk, and you need to have a reserve that covers that.

[00:39:27] We are funded in this self-fund model, which is very common for employers of our size, leveraging, again, our partnership with the schools and others. From that fund, we pay our claims, any administrative costs. A stop-loss insurance was a particular type where if we had very high-cost claimants, the county is only responsible for, in the current year, the first \$400,000 for insurance, additional insurance kicks in to cover and protect the county.

[00:39:51] Also, wellness programs. As we go through this, I want to recognize Laura Andrick, our Chief of Shared Service and Risk Management. She's been with the county about four years now and has dove very deep into all of her health financials so far that I can't even remember the right words.

[00:40:08] But all the analysis and also she supported the initiatives of the couple dozen staff who have implemented the new employee health claim Which I'll speak about here as well. So I'm spending a little more time on this this year because We have in the budget in plan year 26, which is also calendar year If I use those terms interchangeably an increase of 24% in those costs To put that in dollar amounts is about a three million dollar increase in county government for health insurance from fiscal year 25 to fiscal year 26 In addition, there is a \$9 million one time transfer to support health fund and that is

[00:40:45] recommended to be provided by all the partners, but the county executives in his recommended budget as for county government to provide funding from the fund balance for the school share of \$6.2 million. That funding would be transferred to the schools for this purpose and then the schools would be providing the health fund.

[00:41:02] This is one of the several ways the county executive's recommended budget supports the school division. explain in a little more detail with these significant numbers and why both of these strategies are needed I want to walk through how the expenditures in the health fund changed how the revenues change that have come from employer employer contributions on the fund balance in that fund because for those who have been on the board or even prior to the school board may remember at one time this fund had a very strong fund balance and also just talking a little more about the employee clinic so first on the expenditure side for a perspective in plan year 24 for the you know more than 3,000 employees who are in

[00:41:42] the plan and the more than 6,200 or so covered lives with their dependents and spouses total health fund expenses were slide behind were fifty four million dollars and Miss Andrake reminds me regularly when she joined the county about four or five years ago that fund was in the low 30 million dollars or so in terms of our annual experience what we have seen in the last four years is a significant increase where the average annual growth has been 16% but that is due and I'll say we know inflation has been high and medical inflation tends to be quite high as well we know from our benefits consultant that our experience

[00:42:22] in the county it tends to be worse than average in terms I say worse in terms of how our cost have increased over those periods so again the 16% it's not one bad year and three good years it really is a pretty steady trend of high experience over each of those years. One of the factors that contribute to this is high-cost claimants. And to give a little more detail what I mean by that, those are those members who have costed greater than \$75,000. So to put just some math behind how such a small fraction of your

[00:42:56] membership can contribute to your overall health plan, we pulled the data from plan year 24 and were 16 members who had excess claims of \$325,000. Based on last year's deductibles for the county and stop-loss insurance everything above \$325,000 we expect to be reimbursed but just those 16 cases were a total of \$5.2 million. Beyond that there are there were 53 members between \$100,000 and \$325,000 claims that is fully paid by the county there is no stop-loss insurance in there that totals just under \$9 million. You know typically

[00:43:35] you know kind of a in the world of health insurance 100,000 is about the high-cost claimants but we looked in our team and said what about right below that hundred thousand is this really just a few people or a few bad cases or bad luck there's still another 33 folks who had experience of 75,000 to 100,000 so in total those 102 folks who are less than 2% of the overall plan contributed 17 million dollars of those cost and that is one where this is one of the reasons why we wouldn't have the reserve for those challenging years because this allows us to work work through and maintain that effect is and that's one where the County Executive reminds me shortly after his time here benefits consultant

[00:44:15] said many years ago you had a handful of high-cost claims don't project that in the future we are seeing the opposite of that right now but also knowing that it's not just a high-cost claimants this is not a few bad cases this is a lot of folks are impacted in this and thank goodness they have health insurance right now the other thing I would add is that just the cost of health care as that increases more and more people are becoming high-cost claimants in a way they may have not five years ago so there's just the cost of medical care too these high-cost claims are a contributing factor not the only factor so as we think about as the expenditures are growing to 16% what is happening on

[00:44:54] the revenue side for the employee contributions and the employer contributions so this slide shows how those have changed over time the first column goes to the plan year we can see that the employees it's a kind of footnote here actually all the way from back to 2018 through 2022 for five years the employees did not have an increase in their employee health cost so in more recent years that has been increasing to the 7 10 and the 18 but not until the most recent year has that exceeded the 16 average that we've been in recent years the employer side has been providing a greater share over the years as we can see their

[00:45:32] increases are greater than the employee increases in each year however until the very most recent year all of those changes were were eating into the fund balance because they were below 16 so

every year that we were having revenues less than our 16 revenue growth we would see a decline in fund balance so to show what that looks like let's bring together the revenues and the expenditures this next chart is really shows over the last five years in each individual plan year what was the actual revenue coming into the fund

[00:46:05] all of the actual expenditures that went out to be paid for health insurance so in 2020 2020 we see there was a green bar there was a positive variance where our revenues exceeded our expenditures that was not because the county was an amazingly healthy organization there was the pandemic that was taking place either people could not by choice or their doctor's choice to be able to see regular appointments, particular procedures, and all of those events.

[00:46:33] So in 2021 we expected there would be a pretty big bounce back in terms of that experience and that has taken place. But it's notable that the decrease in 2021 was approaching five million dollars. That was greater than the three million favorable outcome that we had in 2020. What we've seen is that was not a one-year event in 2022, in 2023, and 2024. This fund has had expenditures that are exceeding the revenues. So the fund balance and very strong reserve that was in place

[00:47:04] has drawn down over time. So to speak of that fund balance, we have a policy to keep that fund balance between 17% and 33%. That's between two and four months of expenditures. Going back further in history, some of the board who were there at the time may recall the end of plan year 2019, there was a balance of about \$17 million or just over 50% of that plan year 20 budget.

[00:47:30] At that time, the county was advised with our benefits advisor to draw down, consider premium holidays, rain decisions, how all of that played out. So there was a method to some of those rates that were taking place in the earlier years. But what we have seen is the last five years, how that fund balance has been drawn down.

[00:47:48] Plan year 24 ended the fund balance with only \$3 million or less than 5% of a reserve. So that still is a margin of error should there be another bad year, but that is a very slim margin of error. And that is very, very far below the recommended fund balance that we would have.

[00:48:05] So to look ahead, if the budget is adopted as recommended with the \$9 million one-time transfer, the 24% rates and all of that, we would project and plan year 25 in this fund with a 12% fund balance. And I highlight that because the staff is not recommending a one-year fix into this fund to get all the way back to a 17% fund balance.

[00:48:25] This is trying to strike the right balance of providing one-time and one-going funding to be able to withstand another bad year but also not to try and fix it because health can be a little uh it can fluctuate over time but the one thing we do have working in our favor to help contribute to these costs is the clinic and the question i've gotten a few times is how does that clinic factor into our rates i'll speak for a moment about the clinic there's really a kind of a two-pronged strategy one is providing benefits to uh the employees uh right now i'll share that uh you know i know many of the organization have the story where you've had an employee you've been able to recruit from out of the area and they cannot get established from

[00:49:03] the doctor immediate benefit we can provide right now to remove a barrier for someone relocating also the benefit access i'll say like hypothetically if i you know i'm someone i have an established doctor if i can't get in from that day which doesn't happen my options are likely go to urgent

care or the other now I have a I call the pressure release valve where I can go to the employee clinic that would be cheaper to me and it would be cheaper to the employer so that access to care is a benefit and what we've seen in our data from the first two months the demand is there we would expect this would ramp over time but we had 152 visits in the first month

[00:49:38] Under 27 were employees the others were their dependents and spouses um every Saturday spot that's been available for the first month has been filled so there was a question about whether those hours would pay off they are certainly a demand there and we'll be tracking this data on a regular basis, Ms. Jessica Rice and her team, Christy Shifflett, Ms. Andrea and I, as this first clinic continues and the second one's open later, how does this turn out?

[00:50:05] So what we have had with the success is there is no impact to plan your 25 and 26 rates. There were one-time startup costs, but they were provided with one-time funding from the employers who participate. So that is not a contributor to the rates. And we do know that it will take more than a year, but as that clinic is utilized, it is a proven model, and those costs can't guarantee they will decrease, but can help slow and flatten the rate of increase we have seen in recent years.

[00:50:31] And so we do have that built in our long-term model, but that is not an immediate payoff. And the more it is utilized, especially as the second clinic opens, the more successful we will be in doing something different. So to recap this, kind of these four questions I started with about why we have that 24% increase for the employer and why we have, in addition, one-time transfer.

[00:50:53] Expenditures have been growing 16% on average the last four years and that is impacted by high cost claimants. We see the revenues have not kept up at that same rate over time. And so there's a correction that we're having to do on the revenue side with a one-time transfer in 26 rates. That fund balance has been drawn down to a very low level beyond the recommended fund balance. It's at less than 5% and the impact of the employee clinic. There is no short-term impact on rates. We do have in the long term more effective cost control, and I should also add the benefit side that is an immediate benefit that is available right now.

[00:51:26] So with that I will turn it back over the chair for any questions on compensation in the shift. Like nine the team are available for any questions. Thank you.

[00:51:45] The direction we're moving with the health clinics that I think that's very important, but actually, no, I do have a question. If we focused on the, how many employees, I guess what I'm asking is, there are a lot of employees, or a number, a small amount of employees that have gone way over costs and everything.

[00:52:11] Are those things that, have we looked into seeing if they're preventable or certain things you cannot prevent? Certainly, there are things that we can't prevent, and I'll share in that 102 people. There are people who are less than one year old under that list.

[00:52:29] It really does impact people all throughout the entire spectrum. There certainly is one of the strategies of the play to make sure that we are tracking, you know, what are those things we can prevent. We have a wellness incentive to make sure we're tracking some of this in different ways, but part of health is skill and part of it is luck.

[00:52:46] I think that's to be commended and I just wanted to ask regarding the police we you switch from 26 to 30 steps are those steps in how many years they've been on or further education or both years

of experience?

[00:53:12] Okay, so it has nothing to do with other trade more training. That's all. Thank you. Thank you And I don't want to ask this question. I don't want to take us down too deep away from our discussion but when we talk about incentives i can remember being at the university of virginia for example we had an incentive to stop smoking or to not speak or we participate i don't know what our incentive program is like right now i've not seen that and it might be interesting if there was an easy way that you could share some of those incentives with

[00:53:51] us yes i would kind of appreciate it because i can remember signing a line that said every year i don't not smoke and then I had an incentive we have misery we have a current incentive around doing the health assessment at the clinic and so that we can get that long-term health review that is done but yes we do have incentives and then also to answer a previous question we will be looking at the experiences and the different issues that our staff are and our employees

[00:54:27] groups are facing and our wellness programs and our mental health programs will be structured and to build and respond to those things as well that's great to hear so our employee clinic will help us advise that work which is really another great reason for that it shaped our current experience shaped some of the offerings that we currently have physical therapy nutrition things like that we've already put in place for that data that we see that's great um just a clarification

[00:55:02] to this i want to make sure when we're talking about because we were discussing the last presentation school funding schools um and i see i know that the recommended budget is providing that 0.4 cent or 1.2 million additional supplement to schools and then of course we also have i just saw here and i i've seen it before but an additional um we paid for the schools

[00:55:37] here it is the 6.2 million funded by county government which was the public schools so i think we don't want to lose track of some of these additional funds that we have through the recommendation provided to the schools um i don't know if we and maybe those are the only two and so maybe it's a very short list if i could start monday's work session and just kind of recapping i wouldn't really like you to do that that's great because we have a 6.2 here and uh and if the budget passes another 1.2 so that'd be great thank you and that's all i have

[00:56:12] thank you i'm all set i don't have any questions those are malik uh no questions either but i really appreciate all the work all of you have done to set all these things up i've heard from people how wonderful and friendly to be welcome um and this is the first year in my memory that local government picked up whatever the change was for the school so i just want to put that out there it is brand new deal and it's a huge amount of money so i just these are the kinds of

[00:56:44] things that really pop and um it's three cents two cents on the tax rate so that's something that having a bank and i i guess had been healthy and so i was not paying attention that the deductibles had doubled this year and five hundred dollars more is a whole lot of money so the employees are already paying in a substantial amount more and the insurance and stuff has paid gone up

[00:57:18] at some of the hospitals as well so everybody's in and up to their next thank you supervisor Thank you. Just a few questions. On slide 15, we talk about how we're adding four additional steps. My understanding is this is just greater granularity, like more gears on the bike. So is the cost there just

realized by the handful of folks who are going to be in between steps currently based on their time of service?

[00:57:56] that is correct um we're looking at the equivalent of a 1.5 fuller annually it's just we iterated it in such a way that we're only doing it once every two years in this am i understanding that correct no we're we're doing a three percent cola across the board uh what we have recommended as of july one and then the uh benchmarking is in addition to that okay i i must have misunderstood i thought you were saying that we had not had a COLA previously after we got up, which was not consistent

[00:58:34] with my memory, but I was just getting some... Let me correct. You are correct. We did not have a COLA last year. Okay. So to return to that, we're doing a 3% cost of living adjustment this year. The functional equivalent is that we had done a 1.5 per year COLA. It's just we had done it in chunks rather than anything you are correct um on the next slide so um you know there is

[00:59:07] nothing quite so seductive as a politician as the phrase budget neutral right um and when you were talking about how we have strengthened our turnover weight that is to say we've reduced our turnover the way um i understand i have never been a business owner other than you know some rental properties that i have but it's my understanding that there is significant cost that is sunk in the turnover process and we mentioned this briefly um and we talk about our our color and our comp studies as things that are designed to um among other things really reduce turnover

[00:59:45] strength in our workforce let us track talent um from an accounting perspective like where and how in our kind of budget process would we be realizing the savings from reduced turnover is it something we can actually quantify right is this something i could like have a number uh as a messaging technique when we're trying to message a you know force an increase well you figure out what your cost is to on board somebody we could I think the first example comes to my mind

[01:00:24] where it's most clear is in performance rather than cost and I think it speaks to a lot of the public safety chiefs when they're here Monday part of the both successes and the challenges they've had as they've been able to better recruiting staff and the impact of their very long turnovers because they're impacted more than anyone else about those long lead times I think to me that's where sometimes it's most visible than the actual cost side because Because a lot of that is the opportunity cost, where if a supervisor, their time spent, I'll say, providing service versus onboarding new employees.

[01:00:57] Obviously, everyone onboarding new employees in a time again, but what does that balance? Yeah, I would say as a calculation, it's not as obvious. There would be the cost savings and the salary with the employee not being there receiving the funding.

[01:01:16] However, to Mr. Bayman's point, I think what then happens is the workload is picked up by other staff, possibly in the department. It also affects customer service and our ability to complete projects and get the work done.

[01:01:34] Understood. Kind of turning to the health fund, I want to begin by just saying I've shared this with Mr. Richardson, I'll say this for the benefit of my peers on the board also, but I would be interested because it's been such a big part of how we contextualize and discuss the creation of the employee health plan.

[01:02:06] I'd be interested to know when the earliest we can actually start evaluating whether or not it's delivering on this, like, you know, this externality that we're saying it's going to deliver on of the overall

reduced cost of the care, because I want to make sure that's something we actually do follow up on i realize when we kind of say something will accomplish something it's quite easy to not do that program evaluation or to do that program evaluation in an informal way and then depending on how dramatic the results are just uh file into a filing cabinet somewhere so i'm curious when we can actually like hear whether or not this is something we

[01:02:46] should continue to be concerned about try looking at additional um you know solutions to have a So before we actually launched a clinic, we performed a feasibility study to understand exactly that question and where we would see performance improvement.

[01:03:08] And so we expect, as Mr. Bowman said, it may not always reduce the cost, but we do expect it to make an impact on costs increasing into the future. And I think that said, year two of our clinic, we would start to see those numbers change.

[01:03:27] But I appreciate your point, and I think in the world of performance measurement, we also are absolutely where you are, Mr. Pruitt, on wanting to make sure that we are performing and doing and completing the things that we said we would do.

[01:03:45] As a kind of last question, again, to kind of showcase my own ignorance in this field, I am no way the best to be someone who understands health care costs very well. And I will also just share, you know, staff is, I think, deliberately a skill that you'll develop as professionals is being hard to read, right?

[01:04:10] It is important to showcase a neutral perspective to the public. I hear what you're telling me about our health care costs and the need for this one-time transfer. And it does sound like a, perhaps a growing and increasingly dire circumstance that we are trying smartly and with forethought to address.

[01:04:30] But I guess I might ask just frankly, like, how dire as an organization of self-insured people? We didn't hear the question. How long was I needed?

[01:04:46] Just from dire to whatever the... Oh, I guess the question is how exactly how dire a circumstance is this? How much of this is maybe due casting based on what you've said? Because it sounds kind of dire. You're very good at being level.

[01:05:02] So, Mr. Pruitt, being fully self-funded means that we own the performance of the health care fund. And we're in a joint relationship with the Albemarle County school system.

[01:05:20] They are precluded from carrying but just a very minimal amount of fund balance. Mr. Bowman can give us the details on that, but they're precluded from year to year, but to carry a very minimum level of fund balance. And I would not use the words dire.

[01:05:38] We've talked about our fund balance being at 10%, which I see is just a statutory minimum. But then on top of that, we've built 2% for budget stabilization purposes, both internally and externally. And we've talked about that. I believe that's around 11 million dollars separate from that we do have other one-time pots of money that we lean into or sometimes unexpected purposes and sometimes for calculated strategic reasons in this circumstance we've been tracking this very closely with our advisor we have an outside advisor that I believe manages over 100 accounts in their portfolio they've been

[01:06:17] judiciously watching this with us over the course of time and I believe if that advisor were in the room right now that the advisor would say that number one the health clinic is a very strategic move on behalf of the organization because the strategy is to keep people well i think number two that the

advisor would say coming out of the pandemic we saw a topsy-turvy turning upside down of the of the national health care market and to some degree we saw pent-up demand coming out of the pandemic from people not being able or not being comfortable for going to going to the doctor and attacking some of the elective issues that maybe they

[01:06:55] put off so for all of that we saw a surge and the search has been about a three to four year surge so I think we're doing the right things I think we must move the money over to get the balance back into the 10 to 15 percent range we'll also be working and looking at plan design working with our advisors working with schools and be looking at a two or three year strategy to gradually grow that back I think it's a it's a very important move that we move the entire nine million dollars over for the reasons that mr. Bowman has said and I believe I'm certainly very confident that the clinic data is going to bore

[01:07:34] out over time two things that it's going to become one of our employees most most valued benefits and number two our advisors are going to show that it's saving money sometimes it's cost avoidance as versus cost savings but it's a it's a necessary step we need to do it and uh and I think we're being strategic frankly had it not been for the pandemic I think we'd have had the health clinic about three years ago but coming through and out of the pandemic it was very difficult to think about uh building this model when health care was in such a uh turbulent time so I hope I've answered your question okay

[01:08:13] very much that is all i had thank you if we look at slide 16 very quickly and just there on the less than 40 vacancies currently just for clarification there are that's fiscal year 25 there are a number of positions from there were 25 that are being proposed for being eliminated my understanding does this number include those or not the less than 40 means that those are positions that are open now and being recruited now okay thank you you're welcome that's important um the applied uh

[01:08:53] 19 questions sorry um this has a net of stop loss and i know you said we're fully self-funded but my understanding is that stop-loss insurance is applied here and what have we seen happening to the premiums for stop-loss under these circumstances they are growing quite a bit uh partly because of the county's high claim experience it's no real stop yeah so actually the premium has grown 50% a year over a year we certainly do an analysis with our deductibles if it's Hendrick leads and through that but that has been one of

[01:09:29] the other cost drivers that is driving and then slide 22 just to make sure I understand this so you're saying a policy would be that we would should be somewhere between 17% and 33% yes that's best practices but we're gonna be at 12% that's in year one of this growing back okay so the plan is to continue to chip away at this every year we evaluate the forms of the clinic all

[01:10:09] of our other experience you know certainly will a lot of our services we procure on a regular basis. We'll continue to look at those options. Thank you. Appreciate the answers. Another question that will be real fast. When is our second health clinic supposed to open?

[01:10:24] Are we on target for fall? No, no. We're on target for mid-April. Wonderful. That's even better. That's great. Thank you. You're welcome. Two final points, Mr. Chair. For me, unless the board has questions or staff has points to make, one would be that even in a fully self-insured fund of our size with, as Mr. Bowman said, 6,200 covered lives, the fund's about 54 million.

[01:10:49] It is best practices to go out and buy the stop loss at a certain point. We talk to our advisors every year in looking at that with experience and being able to stay where we think is the best value, given

that we're fully self-insured, okay?

[01:11:05] Number two, I just wanted to say is just a basic, a basic on running a self-insured health care program, that we have a third-party administrator that administers our health care programs. And so the county staff only sees data in aggregate. We do not see anything regarding individuals. So earlier, a board member asked about 16 high-cost claimants or XYZ in terms of how the fund is performing County staff is totally blinded from any specific

[01:11:40] data by law that's by law because that all of that data is covered under federal law but so when mr. Shiflett talks about we look at the data that data helps inform us on the on for example the things that we carry at the health clinic all of that is aggregate data and is in no way drilling down and violating employees confidentiality and privacy that's important because when you study the success of a health clinic and there is a ton of data out here nationally on health clinics when you study the data the number one reason that

[01:12:17] people are concerned about an employer-based health clinic is privacy and confidentiality so so while we're working in tandem with this clinic and with the company that runs the clinic as an employer they know to to set the appropriate safeguards up to where we never see anything and never look at anything that we're not supposed to know as an employer and I thought that was important that we say that today because we're diving in pretty deep on this as again as a as a financial piece with that we'll move to the judicial chapter

[01:12:54] next and this is a part of the again to order ourselves to these two donuts the one in gray is the general funds judicial makes up 2% of that and in judicial that is made up of the three elected constitutional officers and the operations of the courts I just have one slide on this to acknowledge the Commonwealth attorney who recognizes here thank you for being here Mr. Henley his request is operationally fully funded operationally there is a reduction of FTE and that is done at his request for part-time employee. I'm looking to make sure there's no other constitutional officer I didn't see in the back so I don't recognize someone but Mr. Zugg's request is fully funded as

[01:13:32] well. Sheriff Bryant, her funding request is funded operationally. She did request two additional sheriff deputy positions and those not are not included as part of the recommended budget as part of all the FTE changes that we have discussed prior. I'll highlight one other notable change for the public defender earlier this year the board approved and updated MOU that reflects the MOU both for an additional providing funding for an additional position added by the state and maintaining that same compensation increase for county employees. So I'll turn it over to the chair for any questions for Judicial.

[01:14:08] This is one slide so quickly if there are any questions. I have no questions. No question. I'm good. Not for me. Thank you. My understanding is that the TDO situation has been resolved fully and we looked at that last meeting.

[01:14:33] Okay. Thank you. All right. With that, we'll move to the public works chapter next. That is 3% of the general fund and that is primarily made up of facilities, environmental services also the largest partner we have there regionally is revana solid waste Authority making up 22% of that and we have some other public works agencies there as well the highlights of public works as we're beginning to see the court operations ramp up in as the general district court opens and the the

[01:15:13] prior building goes under its renovations for the next phase of that project the board earlier heard earlier this year around the roadway litter Pickup program that department of facilities environmental services implemented that is funded by the disposable plastic bag tax funding It also wanted to take a moment to go a little bit deeper into climate action to clarify what is in the budget for climate action?

[01:15:33] So this next slide that I'm going to talk through is really really speaks to climate action and environmental sustainability To put all of that on one slide and this is a busy one, but I'll talk through it What I have in here are three columns and I'll talk through one at a time to show what is ongoing funding?

[01:15:51] what is one-time funding, and what are capital projects, what has been provided in the past in these efforts, and then what is in the future. So moving left to right, I'll start with ongoing funding. We have in the Facilities Department the Environmental Services Division.

[01:16:08] That's a budget made of the personnel and related operating costs of just a little over half a million a year. I'll highlight a pretty significant portion of that funding. It's about \$100,000 annually for them to have operational flexibility to support various climate initiatives on a year-to-year basis. Under the umbrella of environmental sustainability we have the operations of the Southern Convenience Center that is managed by Urbana Solid Waste Authority that opened in the recent past. Also the ongoing operational cost for the street sweeper are shown here. Again the disposable plastic bag tax as we collect those revenues that goes into outside of the general fund because it's legally restricted and how it can be used and that is providing that service.

[01:16:48] All of those amounts showed in the slide are the fiscal year 26 budget amountments and they are projected to that is recommended to continue into fiscal year 26 the middle column. I want to highlight The one-time revenues that we have the board has provided over the past one-time revenue from fund balance to support Various initiatives in this area that has included housing weatherization Primarily in partnership with the out borrow housing improvement program Where they work with low-income groups as part of a climate strategy and just also helping weatherize their homes

[01:17:23] With the energy bills and everything else that goes with that funding has been used in partnership with the grant from Dominion to Implement charging stations at the county office building Currently located out in the parking lot and we also have the community climate action program that's been in place for two years It's been a hundred thousand dollars each year where the county will receive applications from local groups to help those implement new climate strategies There is the septic-to-sewer program.

[01:17:50] This is one the board and supervisors discussed. This is one, there's a human services element, there's environmental sustainability. There's all parts of these programs that overlap. To date, there's been \$650,000 expended. And that is also going to come back in next year's budget with a remaining of \$350,000.

[01:18:08] The board may recall in September the direction was to reallocate that \$350,000 in the current year and bring the septic-to-sewer program back to the budget. The budget meets that intent. There's currently about \$200,000 in an unallocated climate reserve that provides flexibility for the environmental staff to continue to implement climate initiatives.

[01:18:29] Finally, on the right, capital projects, which again we'll talk about more on Monday, but we have the past projects of the Southern Convenience Center, the Street Sweeper, the County Office Building

Weatherization and Window Replacements, and also the Baylor Facility managed by RSWA. We do have a Northern Convenience Center contemplated in the future CIP.

[01:18:46] Now there is one update that I do want to provide here, not shown on the slide, related to our federal climate grants. You may recall on Monday we were talking about risk in federal areas, and this is one we're watching very closely. And we actually learned just this morning that one of our grants awarded by the EPA is going to be rescinded by the federal government.

[01:19:06] So to explain a little more about what that is, this is actually something we previously received. the board appropriated it and still weren't learning and working through this but it appears that any cost expended to date we will be able to recover and get those reimbursed so there will not be a loss of funding the county has spent to date but the remaining grant which totaled \$460,000 this was to support the work of the climate resilience cohort this was the county's effort working with the several community-based nonprofit organizations who are part of that part of that group to really help them assist in the planning and the implementation of any climate action and initiatives so that

[01:19:46] is one where we have learned this just this morning we wanted to let the board know as we watch our situation I'm sure that the staff of Greg Harper and his team have not had a chance to reach out to all those nonprofits to communicate that yet we're gonna make sure the the board has just the updated situation as we have that all the climate funding where that goes and also monitoring our federal risk and so that is a recap of really for the climate action and environmental sustainability what's in here and I'll be happy to answer any questions on all of the public works chapter we can discuss further in this

[01:20:20] area I'm sorry we do have a mr. Moyer here there's an action not an action an update around tipping fees that he has as well thank you so today I want to Propose an increase to the tipping fees at the Ivy solid waste and recycling center Some of the services that we provide out there as you may know, but we have

[01:20:53] Recycling that we manage at Ivy at the Southern Center and at McIntyre. We also manage the closed six landfill cells and Ivy It's okay to point at the at the board with this Yeah, I'm a veteran at this.

[01:21:15] And so really in the 2016 agreement with this board and the Ravana board, it was agreed that Ravana would design, build, construct, own, and operate this new transfer station, what we call the new transfer station. And that was fully supported by this board.

[01:21:32] And the agreement also says that if we want to change the tip fees, we need to come back to this board and get you a concurrence. So that's what I'm here to do today. We feel like a \$2 tip fee to the municipal solid waste and the construction debris disposal costs that go through the transfer station that we can absorb \$2.

[01:21:54] We're currently at \$58. The average from these six local facilities averaged about \$58.50, so we're slightly below the average locally, but we contract out the disposal, So we do a competitive bid.

[01:22:13] And Republic Services, they provide the trucks. We put the trash in the truck, and they take it where they want. And we pay them \$56 a ton to do that. But we have a CPI escalator in the contract, which is going to go up 3% probably. So that's \$1.50 that that fee is going to go up July 1st.

[01:22:32] So the \$2 we're asking for just basically helps to keep us even. And we think that the market will support it. This transfer station was doing 40 tons a day in 2018 before we built a new station. Now it

does well over 200 tons a day.

[01:22:50] So the county's initiative and support to make this community amenity clearly has been successful. We thank you for your support. So that's what I'm here to ask for today. \$2 per ton to go from \$58 to \$60 a ton.

[01:23:08] And as I mentioned, that'll help keep us aligned with the market and support inflation and operational expenses. And they generate about \$130,000 that will not be attributed to your allocation to support the landfill.

[01:23:27] In general, our land costs about \$10 million to operate our services there. We bring in about \$5 million of revenue, and the other five operates at a deficit. county contributes about 4 million and the city 1 million towards recycling so that's kind of the way the numbers so the more we can generate in revenue the less we have to ask now I'll turn it back to the chair for any discussion about RSWA climate action

[01:24:10] Thank you. And I did have a question regarding slide 29, the weatherization, did that include the window, replacing the windows that we did about two years ago or three years ago?

[01:24:28] Yes, for the county office building, yes, that was part of that, yes. Okay, that was part of that, but there's additional weatherization we're doing? Forgive me for not knowing what you mean by weatherization. All I know is the windows. We can follow up, clarify the breakdown.

[01:24:48] All of that work has been completed. Thank you. Supervisor McKeith. Great reports, and I don't think I have any questions about the report itself, but I certainly support the additional activities.

[01:25:05] Could we see if we could get Charlottesville to pay more money? I think we're going to pay more because recycling costs keep going up. I'm just teasing. I couldn't resist.

[01:25:15] I think we have one quick question. Really sorry to hear about the federal grants. I think we're going to see more of that, having said that. Do we know what a clawback would be if you said that they're not going to require a clawback? But do we know what that clawback would be if we had to come up with that money? Just wondering. Because there seems to be chaos. And they say one thing and then they change their mind. And so I just wanted to make sure we.

[01:25:46] this particular grant of four hundred sixty thousand dollars was in the relatively early stages very little events but okay so again we were as we understand now we are fully expecting to get reimbursed also confirmed that our feds team has already communicated to nonprofit partners so I apologize if I created any confusion that I think you mr. Bowers and these teams so we would not have a big clawback if in fact they changed their mind no for the even if they change their mind this would be relatively low risk okay that's great thank you that's all i had thank you i would think for our own sake and for our community

[01:26:21] members sake we start a little fed grant cut tracker that's there so folks can see what if people want to know we should be versus you all as staff that have to start take fielding phone calls emails and that work let's just put it out there on the on the website and say we're We're tracking the feds.

[01:26:42] Here's what's moved. Here's what we know. I don't know who would handle that. Where does the septic to sewer dollars show up in the budget book? They appear under the health and welfare chapter with those agencies there as part of AHIP.

[01:26:59] And you did say the number that the fed grant was to the tune of 460,000?

[01:27:17] Yes. And then if this is something we can pump for later, that's fine. Water Resources Fund, that's where we do our development area mapping of the pipes and where the maintenance for anything we discover falls?

[01:27:40] We have really the Water Resources Fund back up as the 0.7 cents, and that supports primarily a lot of the operating costs, but it also contributes capital projects. So we have a Capital Water Resources Fund where a lot of that work would be done for any pipes related repairs.

[01:27:55] As I see on 255 under that fund, it says the 204-673 in the Water Resources Reserve, which is available to be appropriated for future water resources programming or capital projects related to stormwater maintenance and management. But is that specific to the work we're doing to Matt to get ahead of failing infrastructure?

[01:28:15] Or is that something else? We have on page 280 all of the capital projects under water resources. Well, here's what I'm getting at.

[01:28:33] Maybe we can tease it out later. One was just so I could understand where it's at so I could go kind of track it down myself. but with earlier there's been a few times in the past six months eight months with projects and the concern about how stormwater moves through the development area downstream effects of things they go beyond just the mapping of the piping and the failure of the infrastructure trying to get ahead of it they're trying to stop downstream costs for people litter movement and other stuff and this scene i just want to know is this the area where if one were to want to try to get some

[01:29:11] additional resources and is it that 204 number that i'd be looking at a lot of times when you get to a point without adding revenue you got to move stuff around and i don't know exactly how that 204 is programmed really or if it's a reserve and it's it's as needed i mean i'm not i'm not saying that's bad i would you don't you don't know until september that a pipe's broke you don't know you need to fix it. Ryan Davidson, Deputy Chief of Budget. So with that 204 that you're speaking

[01:29:45] of specifically, that funding goes into the fund balance to come back to be programmed and asked the board to be programmed to the highest and best use. So if the board desires, that could be one of those potential uses. There are other things that our environmental services and our water resources division have envisioned for some of that funding.

[01:30:05] And so it goes into that fund balance. And then should the board choose to move in that direction they could but I know they have those things planned out thank you page 144 is the exact page the septic super program appears on so a little bit of follow-up so this air point seven sets water resources is what pays for

[01:30:42] the environmental services division staff staffing and some projects and research it does it would contribute some of our partner agencies like the Thomas Jefferson's with the water conservation district screen watch as part of that there's a little bit of debt service that it pays for and there are some some costs for community development employees who are not covered by fees a portion of those we allocate to the water resources fund as well if they're doing that kind of inspection yes people do sometimes ask you know where are the pipes that we're paying for it so I want to make sure I

[01:31:21] I had the right answer for them. The-- for the grants that were done-- community action, climate action grants-- will there be a report out at some point on what we-- for \$200,000 that were given out to various partner agencies.

[01:31:43] If it's already been released and I missed it, I'm sorry. But I think that's important also to-- when we have grants, we need to know what comes of them as we try to move these issues along. And for Mr. Boyer, just so I understand, the tipping fee, you mentioned the \$58 a ton, that's for the big trucks who come with the commercial haulers.

[01:32:08] And will the \$1 tipping base go to \$2 for the person who shows up like me with my car? Well, the new fee of \$60 goes for anyone that goes through the transfer station.

[01:32:23] So it could be a big truck like GFL, or it could be you with your car pickup truck. Any tonnage that goes through the transfer station. Now, you know we have a big can before you go across the scale with the \$2 a bag where you can put your \$2 tag on your bag and throw it in one, and you don't go across the scale.

[01:32:46] So there's no \$1 or \$10 fee for those users. But but if you go across the scale to bring something to the transfer station or Vegetative waste to the back of the landfill where we make mulch you pay the \$1 fee as a county resident \$10 a fee Fee if you're not a cat county resident We try to check yes, okay. That's man. All right. Thank you very much - Thank you. - Thank you.

[01:33:22] - Supervisor Proat? - I don't know that I have very much to add. I have favored y'all raising your tipping fees to keep up with the market. That does not seem too extraordinary a thing for me.

[01:33:38] So I don't think we need to dwell on too much to afford. And I don't actually think I have any questions on the climate action and sustainability piece. - Thank you. I also support the \$2 increase in the tipping fee.

[01:33:54] On the climate, I would just like to understand a little bit better. We have this climate resilience cohort accommodation with the city and the university for understanding. And that was funded by this EPA grant, or is that separate? Will that continue?

[01:34:09] This would be separate, and we're still watching that. And Mr. Harper, if you would like to clarify, if I've said anything, just kind of the different grants and who's made up of that, please do so. Greg Herbert, Chief of Normal Services. The grant from EPA did support the cohort, just to clarify that.

[01:34:29] That cohort, which is a UVA City/County combined initiative, was directly supported by the grant. Will there be a way to keep the cohort at least alive and continue to discuss what can be done?

[01:34:44] I think we can discuss that internally. We haven't come to any determination. Because I certainly hate to see this one go, and this -- one of the things that a number of people have raised this question about our continuing commitment to the climate action plan, and I see that there are a lot of ways in which that can occur within the budget that don't necessarily get reflected in a single fund.

[01:35:09] I guess we're going to -- we've already discussed fire and rescue events and the resilience needed around those when those are weather related I believe some of this will come up again in parks and how we deal with certain issues in parks that are again related to effects of climate resiliency that said my understanding is one of the positions that we lost is a climate position is that correct there's a current vacancy a climate vacancy yes and is that proposed to be continued

[01:35:46] That is not one of the positions that is proposed for recommended for elimination in this budget Obviously, you know, there's a lot to be done if we're going to make our climate action goals Ways to do that even as we look to different parts of the budget that might help Using that position as a way to help

coordinate. So thank you questions thank you thank you thank you uh mr bruce yes sorry i didn't have one additional thought

[01:36:25] that um i realized i forgot to voice um on the uh climate action reserve i i saw that we have 200k to that is is this the this is a fund that already exists correct yes that is currently appropriated in this fiscal year and staff would recommend that the balance be re-appropriated to the following year okay so this is basically carrying through an amount that had been appropriated previously that is still that was unallocated and we are just carrying over that same unallocated note am i am i understanding you in the past the uh that amount was larger

[01:37:05] but it is funded a lot of those past uses and there's just two hundred thousand dollars approximately that remains that remain i'm gonna just ask for one more point of clarification that Remains from a previous like past year allocation and we're carrying it forward or is it a new Infusion of 200k The first it is not new money. It is carrying forward with the board is appropriated in the past My comment as well that you know in addition to talking about climate action plan in terms of climate resilience

[01:37:43] Which some of these things will address in other ways. We also, you know, make a commitment to mitigation and And I would hope that as we look at CIP, for example, we can start to think about whether solar can be added and other things that could be done to help produce our carbon footprint as well. So we'll get there when we get there.

[01:38:01] Thank you. Now, the next slide is the proposed break.

[01:38:37] Recording in progress. Sorry. As soon as we can, let's assemble up the table. We can start right back in. There's lots of weeds.

[01:39:01] I'm going to step in for Mr. Vemma for a minute.

[01:39:36] So to continue on with our presentation today, we're now looking at the health and welfare area. As you can see, about 7% of the overall general fund budget, \$33 million, and the largest portion made up of health and human services, our other welfare agencies, the Health Department, Region 10, as well as our community non-profits.

[01:39:58] You can go home, Andy. Come back. The moral of that is don't ever step away. You can just learn to do it.

[01:40:17] So continuing along here, some of the larger areas in the health and welfare, The Children's Services Act, we're looking at a slight increase there, as well as a one-time contribution to help maintain our fund balance obligations within that.

[01:40:34] Our Emergency Assistance Fund, the ACERP Fund, as I think it's more commonly referred to in the board meetings, we're continuing our local support of roughly \$260,000 for that program. Housing Fund, which we will go into in more detail here in just a moment, \$3 million in one time, plus the \$1.2 million in the dedicated ongoing funding source starting in FY26, and then our health and welfare agencies, which we also will have more detail on as we move through these slides, that contains \$5.4 million, about \$1.6 million in our Almar

[01:41:07] County Human Services funding process funds, as well as additional dollars for our regional contractual partners in the health and welfare agency area. As we've discussed before, we will be, the

current budget proposes, or excuse me, recommends dedicating 0.4 cents of real estate, equally about \$1.2 million to get towards affordable housing and an additional \$3.0 million one-time investment.

[01:41:39] This does add to the overall \$17 million in housing investments we've had over the past five years, and to go into more detail, I'm going to turn this over to Ms. Dimmick to talk through the following slides on affordable housing. Thank you. Kaki Demick, Chief Human Services Officer, happy to join you for a couple of slides here.

[01:41:57] Just a reminder that we do have affordable housing investment funds, which has been sometimes referred to as a housing fund and as a trust fund. And there are some terms of art that are at play here.

[01:42:14] There is certainly more that can be done to make this more formally a trust fund. But it meets the baseline definition at the moment because it has a one dedicated source of funding for it which is the housing proffers. The purpose of the housing investment fund is to support housing initiatives that are one-time costs and serve to support the county's strategic and housing goals, which change over time.

[01:42:42] There is right now a prevailing fund, prevailing report that identified the set of housing needs that we have. It's being updated, which may change the direction that we are facing and allow for additional kinds of investments along the continuum of housing supports.

[01:43:01] The funding sources for the fund at the moment include past one-time transfers from the general fund, affordable housing proffers, as I suggested, and then with the fiscal year 26 proposed budget, there's an ongoing funding equivalent to four cents on the real estate tax rate. Past uses include supporting Virginia Supportive Housing, which is the development at Premier Circle.

[01:43:24] Many of you attended that groundbreaking, and we hope to have folks in there this time next year. Habitat for Humanity, both Phase 1 and Phase 2, the redevelopment process ongoing and will be happening for many years to come. Piedmont Housing Alliance's Hickory Hope Apartments, which are deeply subsidized apartments located actually in the Southwood neighborhood.

[01:43:49] And Albemarle Housing Improvement Programs, Rehabilitation and Energy Improvement Programs, which have been longstanding programs supported by the board over many years. Right now, there's been many questions about how much money is actually in the housing fund at the moment.

[01:44:04] It looks like there's \$200,000 in the housing fund at the moment that are unallocated. I think sometimes we have thought that that was just \$80,000, but there was more there than expected. The recommendation in this budget would increase that to \$4.4 million.

[01:44:21] Future options, of course, for the fund include supporting the entire housing and homelessness continuum from homelessness services like shelters all the way into workforce housing incentives and supports like that. Next slide, please.

[01:44:40] There's been a couple of questions about our total all-in contribution to housing and housing efforts over the last several years. And so this is our attempt at doing that. It reflects all of the ways in which we support housing, the housing continuum of care, again, starting with homelessness services all the way into workforce development, housing, and other kinds of incentives for folks above 80% area median income.

[01:45:09] So you can see from 2019 to 2025 that the county has either directly funded or facilitated the funding of \$68 million into the housing continuum. And in the proposed fiscal year 26 budget, there's a recommendation of \$11 million of support.

[01:45:26] This includes support, for example, that is cash money generally in the housing investment fund. But it also includes the substantial investments made with the money that came to us through the ARPA funds, which we directed into housing supports.

[01:45:44] It includes the emergency relief funds, because the vast majority of those funds go to support somebody with an eviction notice to help remain in their home. So that's an important strategy along the housing continuum. It also includes two sources of funding there that we facilitate.

[01:46:03] So we facilitate community development block grant and home funds. Those are not general fund monies, but money that we facilitate and are required participants in the allocation of. It also includes money that is funded through to housing support services as part of our human services funding process, formerly the APRT process.

[01:46:27] That includes funding programs like the Haven, Piedmont Housing Alliance, Shelter for Health and Emergency, Habitat for Humanity, and again, AHIP. It also includes the Housing Assistance Fund, which is worthy of note because it sounds like it's cash money that comes directly to us for our choice, but it is the money that comes from the federal government through HUD to support our Housing Choice Voucher Program. In addition, our original TIF for Southwood is included in that and tax relief again

[01:47:03] this is funding designed to help people stay in their housing the best housing is the housing you have and so there's lots of work to try to keep people in the housing that they're already in and then importantly the amount of money that we spend on staffing the office of housing and other housing related staff folks so the average if you look at that with some substantial sort of peaks and valleys over that period of time particularly related to the ARPA funding the average is about 11 million dollars a year with a total including

[01:47:37] fiscal year 26 of 79 million dollars invested in housing all in next slide please so there's been also in a lot of questions reasonably about those are where we are on our affordable housing unit sort of tally the study from the Thomas Jefferson Planning District Commission on our housing needs identified that we need slightly more than 10,000 affordable units in order to meet the demand by 2040 that was with a growth rate that I think is different from the growth rate that was shared with us by Hamilton Lombard and the

[01:48:16] Chamber of Commerce and so my guess is those numbers will change substantially when the new study comes out but that 10,000 unit is a reasonable target for us to continue to pursue. Right now we have created or there are 2,255 affordable housing units that are in that are already online and pipeline which we often talk about sort of what's in the pipeline and so that's 25 slightly more than 2,500 units in the pipeline. That is a best case scenario number because our experience is that many people get

[01:48:53] approved by the board to develop a number like 500 units but actually end up building 325 and so that number really impacts the percentage of affordable housing units that actually get developed and so I say this because sometimes it can sound like staff are being squirrely about the numbers and the pipeline but the pipeline numbers are really just sort of best-case scenario estimates what what could

possibly be developed and so our job is to create data that shows you what has been approved and what's actually been put on

[01:49:31] the ground and open to the market and that's a harder longer sort of process for us to get those numbers for you I think that's the end of my slides and I'm happy to answer any questions related to the housing component if Mr. Bowman wishes to do that.

[01:49:50] The next topic in human services was spending a little time with the agencies, which I can cover relatively quickly, unless the board would like to dive into housing right now. It's two slides on the agencies, and then we can do this all in one. So in the human services funding process, this is just a reference slide from the county executive's presentation, where over the last two summers, the board of supervisors has set out a framework to make some revisions to this process.

[01:50:17] This used to be known as the Agency Budget Review Team process. It has been rebranded to be the Albemarle County Human Services Funding Process. Back in June of 2023, Ms. Dimmick was before the board presenting a Human Services Needs Assessment, really setting the stage to begin to really align the program for these nonprofits to those that would most drive those needs in the Human Services Needs Assessment, to align this funding process with the strategic plan and put those dollars towards the agencies that would most likely drive the outcomes for those greatest areas of need.

[01:50:52] After last year's budget process, that was sort of the first try at that, and we came back this summer and got some more direction from the board based on the experience of that first try. And so there's just a few examples of some of the things we've changed. There used to be rules around for new agencies, how they could be funded.

[01:51:08] There were some other areas we looked at, But a lot of this was really looking at as we have in this budget almost \$400,000 of new funding for these agencies. Rather than applying them and maybe more the incremental approach in the past, this is more of a strategic approach to make sure that we are putting those dollars towards the highest tier programs, which I'll speak to in the next slide, where they were grouped into tiers.

[01:51:33] This is something in the budget document that is different this year. really focused on supporting the community safety net and then having other tiers a lower priority so if you were in a tier one and performing very well in your agency evaluation that was the most the best outcome you could have in your funding after tier one we then moved into tier two and then there was no funding for the programs below tier three I'm sorry below tier two as it were some in tier three so with this increased funding there is more change year to year but it is really driven by one the performance of agencies and their application

[01:52:10] process and to really trying to align them to those outcomes in the strategic plan that would generate those results and outcomes for the board so with that i'll be happy to turn it over to the chair for any questions thank you uh no questions regarding county human services uh regarding affordable housing like you mentioned the highest tier slide 40 I know that we're not giving any money did in the past such a small amount 5,000 those

[01:52:48] actually on the left-hand side those are actually funding sources not funding recipients from us on this particular slide so Virginia housing happened to give us \$5,000 that's correct I like that part I'm in favor of that Virginia housing bless you okay the the other one the housing assistance fund you said that's

federal is that could that be a risk yes ma'am I think that we are anticipating programmatic changes around eligibility for those funds in addition

[01:53:26] we have been instructed to not renew new vouchers so as vouchers become open we've been instructed to not to renew them we've all been told that that's a temporary pause but I there's certainly lots of mixed messaging that we've received and many of the contacts that we have historically had at HUD are no longer there well well going along of highest tier it might be beneficial at as it would be for me to look at these programs, which ones are federal monies that are given

[01:54:03] to us, which may or may not remain, so that we could then perhaps switch monies around to give it to the organizations that would give us the most households served, be it through a voucher or through rentals, maybe some combination.

[01:54:28] I don't know if that's feasible or not, but I'm just thinking we don't know where this list is going and how much we'll be coming in, it sounds like, or are we sure of these? Well, I will just say globally, I think we're working really hard to be flexible and stay aware of changes and be ready to pivot when and if it becomes necessary in whatever area.

[01:54:51] Okay, so this may pivot. I personally got that, okay. Other questions on page 39. It's currently I thought what my I'm probably mistaken 4.2 that was going we have three thousand three billion in the house affordable housing Investment fund and then we were adding 1.2 And that would be an addition that would add into the current balance of 200 to make a total of 4.4 Okay, got it. Thank you very much

[01:55:29] Thank you. Supervisor McHugh. I guess piggybacking on what Bea was saying, I was wondering the same thing as to which on page, or slide 40, page 20, which one of these were federal? I mean, I can guess about some of them. Thinking about what might be going away.

[01:55:48] I think both CDBG, the community development block grant, home funds, and the housing assistance funds are the biggest block. Going forward, if we had this to do again, I might put an asterisk and say federal, somehow or another flag those federal at risk, is the way I would put it, or something like that.

[01:56:14] Just so everybody who looks at this document knows, right? And unfortunately some of them are going to be added to the list that Ned suggested. The other comment, and this really is a great, these slides are really great.

[01:56:33] And I don't have a lot of concerns or questions about them, I just have one more. 2,520 affordable housing units, I'm on slide 41, page 21 of our handout. So what we're seeing here is best case scenario in the pipeline, which when When I talk to people trying to prove to them that we actually need affordable housing, we need more housing because of all they're seeing going up in the development area, and they say we can't possibly need any more.

[01:57:09] I'm just wondering if there's some asterisk again or some way that we can identify this as this is best case, and just because they're in pipeline, I don't know how you do that. But if somebody looked at that, they would have a different takeaway than what the reality is going to be.

[01:57:25] One of the things that I know we're already working on is identifying what kinds of units those are as well. We know the greatest need is for units below 60% AMI. Of the 2,520 approved units, how many of them will actually meet our highest need bucket?

[01:57:43] So there's a couple of different ways we can try to get there. Thank you for that. Yeah, just for clarity. Because it's interesting, I had about a half an hour discussion with someone the other day who said she didn't understand why we were building all these apartment complexes and nobody wanted to live in apartment complexes. And so it's just how you perceive and what you, I'm just, so just trying to get clarity.

[01:58:06] Because some of this, this really is not dependent as much on what the board is approving at 58%, but really what is being built. we're approving this but this is what's not is or is not being built is what we're taking like for rst we had approved rst and that one was not built at all got it and that's really all i have thank you very much are all of those rental and for sale of the 2520 i don't know that i'll have

[01:58:46] to check if i think the vast majority are going to be rental helpful to have yeah okay yeah that's So I guess most of that is under pre-Albemarle housing criteria.

[01:59:13] Great. There's probably three different sets of criteria there that are embedded in that. Three different sets? I think so. I think there's going to be one set that's in there that's happened since the 20%. But the vast majority will be at the 15% and some will be at the 5%.

[01:59:34] It's really slow to come up. Which one is hit? The 20% and 60% AMR? I think there's one in there. I'll have to double-check that, but I think that Stacy said one was already in part of this, identified as a pipeline, because it looked like it was going to go before the board meeting.

[01:59:52] Oh, so it's not? Pipeline incorporates from the start of the process, from the application, all the way through your approval process. So in the actual – or in the recommended budget on page 143, the three positions that were frozen and recommended for elimination, can you just tell me more about what those positions are if i do what page is this on page 143 am i in the right department it says removes

[02:00:27] funding for three vacant positions that were frozen during fiscal year 25. i'll have to check the other two but one of them um is definitely uh one of the unwinding positions that were granted by the awards during the uh covid sort of covid benefit unwinding you all gave us permission for temporary positions to track that data and we made a promise that we would manage that through attrition and so this is the first of those positions to be eliminated through attrition and I don't have it in front of me so you're largely well you are correct I would share that when the work session know

[02:01:07] all of those 11 positions on March 19th we're gonna come back and kind of tell the story of our systems and that that our opportunity vacancies are reorganizing plus some of those positions like the unwinding where we had a temporary kind of augmenting the workforce knowing that it was a short term need. Nobody has lost a position in social services and most of what we've been I think all of what we've offered in that regard have been happily solved through engineering with which or for which about which we have no eggs. Great

[02:01:43] I think on those sometimes with the re-engineering a little bit more detail on how you arrive at the full FTE that is cut, regardless of the department, I think I call it commentary. Yeah, we'll be prepared on March 19th to go through those case studies.

[02:02:00] I'll make two comments on the housing fund, I'm not ready to get into a major discussion on this yet, on this today, but I really do and have told folks that I'm perfectly satisfied having conversations about funding and trust funds separate, because it doesn't in some ways matter to me, which we can get done first, but the trust fund discussion is important for outliers and how do we strategically use the money.

[02:02:37] It was mentioned earlier that if you can get it in there and start using it differently, it can maybe source itself. That takes a different type of plan than just dropping one-time dollars or even ongoing dollars into a fund and then watch it all be spent by the time we get out of July 30 – to July 31.

[02:02:54] So I'm just saying, one, that discussion, now that we've seen ongoing dollars go in there is important, I think, for this board to take up, not just for the current where does, how, when, and how those funds are used, but for out years as well.

[02:03:11] Mr. Sumner and I do plan to come before the board about a conversation on the structure of trust funds later in the spring after the budget process. Great. And you will use, I'm assuming, best practices from other jurisdictions in Virginia specifically and how they use them will be part of it. I'm not satisfied with the dollars we're putting into the housing fund.

[02:03:33] I know that Ann just made a suggested idea. I'm still looking as we go through the review, so I may have some thoughts on how to, in addition to maybe Ann's idea. But I guess I'm just calling out the need for a list item that we're probably going to have a conversation about maybe some ways to get more money into that housing fund in this budget.

[02:03:56] I may have, who knows, it could be in addition to what Ann suggests. It could be place of or whatever. But, I mean, I'll be at some point. Like, when would those type of items be coming back just so? We want to bring those back as a package on the 19th when the board is proposing the tax rate.

[02:04:15] So I would say, you know, I know the board is still working through this, but if there's information or even potential options staff can be prepared for, that will allow us to support the board on the 19th. I recognize that you all are still processing much around the budget, answering questions from the community.

[02:04:32] Thank you. Thank you. Let's see. On slide 40, you talked about the eviction program, and those are short-term.

[02:04:48] This is for so many people who have one cataclysmic something and get to work because their car fails, etc. We're only for eviction notices or for shut-off notices, so really we're the last resort to stay in their home.

[02:05:04] But it's not something where somebody gets this for years? I think that currently the restriction is one time per year it's pretty rigid okay well it's important for the people who need it hey on slide 41 and you're weird in the Noah's can then naturally occurring I do not have an answer for that because I believe this reflects a new affordable housing not not existing so I when and I realized what we were talking about it I wasn't

[02:05:41] sure when they do started for the column on the left so I can find that out for you all nice ball and if I know that certainly during the crochet master plan there was a great interest in doing it assessment of all those units that wonderful little workman thousands that were built in the 40s and 50s and everybody's really anxious that they not turn into I think those will be very hard for us to capture as part of that number you're really talking about no was in the wild it's gonna take interns going around anyway or volunteers or something thank you so so in other words they're not in here this is strictly new

[02:06:21] construction at some time in the last 15 years yes I think as of March 2025 but don't know how far back it goes to capture those numbers so I'm sorry 15% this is pretty sweet but there was also that

\$16,000 buyout right number which they escaped putting up a \$200,000 unit which never really made sense to me but anyway oh somewhere also far off to the right of slide 41 is the certificate of occupancy where we really find out what shows up and I know that's the major

[02:06:59] the people who qualify into the houses which is why I talk about the pipeline can be part of moving horrible yeah no I agree major heartbreak on the voucher thing since we just had the first open sign up period in years so wow it's really awful uh will there be a future time to ask questions about process or do you want to send me something out to the board about how you've analyzed different applications on the community 244 list we'll certainly be able to answer now if you have

[02:07:39] another time i'd be able to answer the questions that you submitted last night and share them with everyone and likely post them on the budget page as well all right so i will not go through all that right now thank you and one thing that struck me that i will just put out there for thinking about. One of the changes in policy was that percentage of the request was one of the determining factors in the amount that somebody got. And if that is made public to the applicants, that's a real concern. They're going to say, oh, well, you know, I'm going to put in 200,000 and maybe I'll

[02:08:14] get 150. Because the one thing I noticed is that the numbers jumped dramatically for some of these. And if there's more information that is easy to relate, I would love to understand why there There seems to be such a dramatic change in so many .

[02:08:33] I know it's a miserable, difficult, challenging job to try to analyze all this information. But I'm one of these people who gets asked questions like, well, is that agency really doing their job? And do they take care of their staff? And do they have big turnover? And those kinds of things, which are questions I've been asking for years.

[02:08:50] And I know it's hard for you to get it, unless you require them to . So this was a much shorter homework package I will just put that out there. Thank you very much.

[02:09:05] We'll learn about one out there. Supervisor Pruitt. Thank you. On the previous slide that we've been lingering on for a bit, I'm just going to say that, yes, I'm going to say the thing that I think is evident to everyone looking at this, but I'm going to ask the question, which is,

[02:09:28] Our pipeline proffer units seem really disproportionately high compared to how much of our actual inventory, as it seems like we're generating new units primarily through profits on our inclusion of the zoning policy, but our existing inventory is mostly subsidized units.

[02:09:48] I'm assuming that would be almost entirely through Y-TAC. What is going on with that kind of data stream? Like, why don't we have those proportions reflected in our existing inventory? I don't know the answer to that, and I can certainly find it.

[02:10:08] My guess would be, in large part, the affordable housing unit column on the left, that the subsidized rental units will likely include all of the housing assistance fund vouchers. And so that might be one.

[02:10:24] The left-hand side includes the totality of what's subsidized, and the right-hand side is what is proffered or approved for building through community development. And just to be clear, you would only be capturing project-based vouchers in that left side?

[02:10:42] No, sir, both. There would be project-based vouchers plus 575 housing choice vouchers. Oh, okay. I do want to just highlight this because as we're talking about the proffers, this is not directly indicating the budget, But I just want to draw the board and the public's attention to what I think is one of the most important things that is happening in Elmore County right now.

[02:11:12] We're not really talking about it, which is that we are kind of in a very high stakes game of chicken with the developer community. And I think it's kind of important that we acknowledge that, which is our current posture relies so heavily on developer proffers at a pretty high rate.

[02:11:30] And that is, frankly, with the level of funding, that is the main way we're creating affordable housing. It is high enough that developers seem to not have an appetite for it, and they seem to not want to pill until we claim that we think it is chilling development too much.

[02:11:51] And I say this is a game of chicken, because at some point, I think one of us will break on this. But I think naming that in a public setting is probably appropriate, right? like we have we have not seen come before this board or even come before the planning commission a single project under the new standard and i think we should appreciate that fact for what it's indicating uh about where we currently stand um moving on i want to just say uh very briefly that i've indicated this last year when the changes were being announced um but i'm really

[02:12:30] pleased with the changes that have gone into the adrt system it seems like it is more responsive to this one's kind of strategic priorities and more responsibility communities um and so i appreciate that um i want to briefly kind of touch on and if we could go to the um the types of spending chart um i've said this before but i want to begin by just saying this outset i find it confusing and almost misleading to incorporate federal pass-through funding that we don't really have

[02:13:05] discretionary element in these kinds of things right housing assistance there's one way we're allowed to use it we get a certain amount we use it um that is a federal program i think accounting for that as a as a county uh budget expense is missing um i don't i understand the reasons why we'd like to do it but i think it gives this board a misapprehension of what we are actually taking um speaking to uh supervisor lapisa currently's kind of concern uh about the possibility of clawback

[02:13:40] on the housing choice voucher program clawbacks probably uh the possibility of a reduced appetite from the federal government on the housing choice voucher fund moving forward whether or not that is something we will have to step into the breach for um something you mentioned supervisor um was just weighing the amount of money we're spending to the amount of people we're served and i would just call attention to that housing choice vouchers are a deep subsidy not a wide one meaning if

[02:14:13] you're concerned about helping people um it would not be the most prudent use of a budget dollar to plow that into a voucher program because voucher programs are really helping very very low-income persons often low-income persons um with a very deep subsidy and as a consequence they're not serving very immediately right serving 511 husbands um for quite a lot of money um generally speaking the housing trust fund the ahif would be a a shallow wide subsidy so if that is

[02:14:50] the goal then um i mean i'm all about creating a local voucher um but i i want us to be thoughtful about what these subsidies are a hiff is a shallow why um and uh housing vouchers are a deep narrow subsidy um i've said before i think we all and it always gets thrown into i think pretty sharp relief

when all of us independently talk about a housing trust fund and for six board members in the room i think we all six have a slightly different understanding what that means um i have

[02:15:27] said before that i see the main lineman saying is being when we are funding it enough per annum that we are able to have a competitive grant process as in competitive applications um we advertise annually anova and we get competitive uh applications that we're able to choose between which is not currently quite how that works it's more of a rolling process um i've additionally indicated as i think different beliefs on this board about how trust fund could be self-perpetuating

[02:16:02] or self-watering um i know some people have suggested that we reserve a principle um so that it generates its own income i don't know that that is necessary will be what i would think would be most prudent because the principal would have to be extraordinary um to be able to generate an income that could actually sustain the kind of activity that we would love this fund to do um and i've suggested previously that i personally have an appetite for um for rather than grant style programs uh things that are zero interest developers i talk to seem to be

[02:16:37] basically saying that for the purposes of their leverage with uh private capital a zero interest loan is very similar to everything so that would be something that we could re-water i say all that but the question that i actually want to use this to lead into is any one of these alternatives something just being big enough that's doing a competitive funding application um something that has you know that is basically issuing debt uh and you know accounting without that reclaiming it or something that is managing an investment portfolio those are like three different components of

[02:17:14] visions for what a housing trust fund can do um those are all complicated so i guess the question is at what point do you see what members of this board are calling for implicating additional and are we there i don't think we're there yet because we haven't had the conversation around what the structure of a trust fund should be yet uh so i think what we would be prepared to do when we come back later this spring to discuss this is to talk about what the staffing models would

[02:17:47] look like attached to each one of the kinds of approaches that the board might take i appreciate um one second trying to once again read my own notes um so yeah this actually leads into that point um when we were talking about later this spring um supervisor galway mentioned that uh there were questions he wanted to revisit specifically on how we fund housing um i would

[02:18:22] also want to revisit and have like maybe a couple more fulsome discussion when we have time for in the next 28 minutes um and what was discussed was oh we can bring this on the 19th which is the day we're advertising um recognizing that we crowd ourselves into a box and we advertise i guess i would just ask to what degree is is our advertising date an internal forcing function and to what degree is it being externally forced because like i i don't claim these laws are complicated i don't

[02:18:58] claim to have read them all but i did not think we had to advertise until like something like seven days before we actually adopt the tax? Like what is actually driving this? It is driven by the state code requirement and there's also two hearings that need to be held separately and also just the timeline process that we need to work with also with the daily progress and their timeline is the short answer. So is it fair to say that we really actually are crowded into

[02:19:31] that date or is it something that does have any flex? I would say that we never prepare our budget for the worst case scenario if there were to be a big ice storm on march 19th but i believe we would

be too late on the next work session scheduled on the uh the 24th or 26th if i remember correctly and thank you for the team who's not in their heads confirming behind me all right i'm saying that to the board if there's anything we can do prior to the 19th just considering that would be helpful direction uh for staff to do our work to support the board if there's anything we can provide and i don't mean to suggest that i view us being like an

[02:20:11] extremist on this but it sounds like there are unanswered questions and there is a plan to revisit unanswered questions that they were adopting um that is manageable but that that is tight um and so i just want to raise the question um i would just say it comes as no surprise and it sounds like maybe we talked about this in further depth um in addition to i is my personal personal belief that our contribution to AHIF is inadequate this year.

[02:20:45] I think we can aspire to greater. I think it would benefit, especially when we look at, again, the position of chicken we are in with property units, which is our main source of both funding and funding the housing trust fund and creation of affordable units.

[02:21:04] When we're in this position of chicken, I think it is especially good for us to investment of the evening of this year um and further i we heard this from me thoroughly last but i do not think 260 000 is the best we can do on on acer um and i would further just raise up to this board that these dollars go very far i'm not going to sit here and say oh we need 10 million i'm not even going to sit here and say you need one million or half a million but i i would just suggest that

[02:21:37] additional pennies uh every thousand dollars this is a life altered on acer um i think we can easily cap that up just an extra digit right we can easily put that to 360 300 um and that makes a significant life-altering change to many of our residents i as some of you know i was in eviction court earlier today and i watched this in york county i watched about a dozen people uh literally get evicted like this, name, person doesn't show up, stand, name, person doesn't show up, stand.

[02:22:16] That is what happens to people and that doesn't happen if we are able to put forward a little \$1,000 to help them catch up. I find that to be a really high value and it has knock-on savings elsewhere in the county by reducing other burdens on social services, reducing burdens on health care for people who are put on the street, making sure these residences stay occupied, right?

[02:22:47] They can see rates affect our revenues, right? There are knock-on savings when you make it so that people are not being made homeless by a system that's just fundamentally cool. So, how do we go? Thank you. I have a few questions, if you're may.

[02:23:05] Starting with slide 39, there's more of a comment, I think. And that is to agree that I think we need further discussion, which I know will follow the budget so we have to separate what we're funding with how it's going to work there have been a lot of claims about the amount that can be leveraged from a housing trust fund that i would like an assessment of their credibility obviously supervisor proved talked about programs that are either deep and narrow or wide and shallow and i guess leveraging is a preferred term for me to think that we would want to invest in programs and leverage even within the

[02:23:45] human services funding process. I hope that we're looking to not only satisfy these needs, but also recognize when we can leverage through a program. So I just want to make that comment, but I look forward to further discussions on that. The next slide. Very quick, just comment question. Obviously, the

Affordable Housing Investment Fund, the \$1.2 million that's in the 26 budget is referenced there the 3 million that is being carried over first fiscal year 25 I assume is also in the previous column

[02:24:24] Or is it elsewhere? No, I think that that doesn't reflect that Of this chart, but I'm not sure about that so I'll go back. Okay. Yeah, I would like to know where that appreciate that our investments may take forms that aren't necessarily just going to go into that one fund but going to other places as well just confirm that that three million is reflected in the 13 million dollars in the just

[02:25:03] hadn't been expended and therefore can be carried over as to since it's a fiscal year 25 okay the next slide my comment question is a question I've asked before and that is trying to get a handle on whether or not we are finding generally speaking when we approve projects that they're not being built at the rate that we would have anticipated them being built in other words I've heard numbers thrown around that there are like 9,000 residents that have been

[02:25:37] approved for construction or otherwise that are not yet built and so some of those may be just in the pipeline but some of those may have been approved and I just don't know whether we're seeing something that's normal or something that's anomalous that suggests that the conditions aren't right for builders I mean one of the things that we get concerned about here is that yes we want to improve more affordable housing and we can do that over and over again if they don't build it we're kind of left unless we had other ways of addressing

[02:26:14] this issue, so I just appreciate as much information as you can as to whether these are normal times, whether it's due to the process that we're doing, or whether it's the interest rates or other things that are driving this, if it's not normal where we are.

[02:26:31] Thank you. My other questions are more on the funding process. I really do – oh, I have one question further on the – this is in the budget book. On page 144, just reading through it.

[02:26:49] And it says, overall revenues are decreasing over \$900,000, 7% reflecting recent trends in reimbursements. Department's revenues or budget reimbursements are based on program expenditures.

[02:27:05] Could you just help me? That's a big enough number that it pops out to me as to, wow, we're losing \$900,000 in reimbursement. I think that that's a number that has sort of crept up slowly and had an impact suddenly, in that both the federal government and the state have continued to provide additional requirements for local departments and social services that are initially full and reimbursed at a rate that incentivizes compliance.

[02:27:38] And then over time, that rate reduces while the mandate remains. And that has happened with a number of fairly significant – what we would identify as labor-intensive policy change that have been initially reimbursed at a higher percentage and then over time.

[02:27:58] And I noticed, if I'm right, that those are primarily state. Yes, yes. I think some of those requirements, the decision to incentivize or the proportion that they get reimbursed status and requirement might come from them. Is there any influence we have in the future on this sort of issue or?

[02:28:19] I would never doubt you're in the future. If we identify areas where state policy changes could be implemented. I applaud the emphasis in the human services funding process.

[02:28:35] I think that's the right way to go. I just, because there have been questions raised by some entities, We'd like to make sure that there was enough information that people knew going into this and

that this was a priority ranking.

[02:28:51] Do the applicants in any way decide what tier they're proposing their program to be in, or are those tiers completely established by the review process and not dependent upon the program's identification?

[02:29:08] It's a, it's, I guess it's a little bit alarming to see exemplary programs then not funded because they're clearly tier three or tier four and the funding didn't go there. It almost would rather that it get wrapped together so that they recognize that despite other virtues in their program, they're really not addressing a need that is of highest priority.

[02:29:30] Anything you can add to that process would help me understand it. I can share that there were two technical assistance trainings that were offered, each of slightly more than an hour long in which the new week they were advertised as changes coming changes happening related to prioritization to try to encourage people to understand exactly what that meant and then to participate in the training to hear exactly how that prioritization process and look at the documents that would be that we're changing as part of that not everybody participates in that process that's not a requirement for application

[02:30:05] but a large majority of applicants even those who have applied multiple years do participate in those technical assistance trainings and they were glad they did because they did get critical information there's always opportunity for applicants to identify what outcomes they are improving or seeking to improve and what categorizations they are in in addition our evaluation of them based on our stated prioritization was a applied sort of doubly so they could frankly if somebody identified that they're they served people who were

[02:30:43] experiencing homelessness but they were not dedicated to serving people who are homeless they would not get the full points so if you for example for prioritization there was the zero five zero points five points ten points ten points would be for an organization whose purpose is serving people who experience homelessness five points would be for somebody who serves a lot of people including people who experience homelessness and zero would be for a program that doesn't serve anyone experiencing homelessness so we did apply this rubric in a way that wasn't yes or no kind of answer and we

[02:31:20] got that feedback from our reviewers who frankly said the tool is currently a little clunky and blunt and we need a little more nuance and that I'm hearing as maybe some more nuance in our applications for next year if we if the board chooses to do prioritization process like this last next year that we include some opportunities for a middle path no I appreciate that thank you very much we have I just have a couple questions that happen if we have a faculty housing trust fund would that go into the split

[02:32:00] But I would hear the intent of that as the board is seeking to designate something for housing, in which case that would not be willing to do that. That would be a choice of the board. Whether or not to make it part of the split. Yes. Okay. And my understanding is the March 19th deadline for announcing the tax rate, you can't go above that.

[02:32:22] So the only reason, would it be any reason other than raising the tax rate to not approve it on the 19th or a proposed tax rate? I'm not sure what you're asking.

[02:32:37] We have a proposed tax rate. If a supervisor wants to recommend a tax increase higher than what the county executive has recommended, we've got to do that on the 19th. We have to do that on the 19th. Okay, I just wanted to put a clarification there.

[02:32:53] Thank you. And one other thing. Are we, the units that we're approving, ones that are not being, that are not being built as we approve them, is that something that goes with the land or is that something that we can change or hold someone accountable to that?

[02:33:19] I think it goes with the land, but is there any mechanism to be able to change that, to hold either that builder or the subsequent builder to those federal units? There's clearly a lot for us to research around what constitutes the pipeline and also what is required once an approval is provided.

[02:33:42] I don't think we're prepared to answer all those questions now. One of the questions will be, is an approval a requirement? Or are you providing an approval that allows for someone to build up to that number as opposed to requiring somebody to?

[02:33:58] And I think that will be a critical component of that discussion. Some of this can come out and we can talk about the CBD. That would be very good. And as far as leveraging programs, I think you're looking at that to see where we can get the best bang for our buck to help more people.

[02:34:19] We always like it when our money can leverage money from other people. Always. And so that is one of the questions that's actually embedded in the human services funding process. If you get money from us, does that allow you to get money from another source? That often people are looking for a local contribution in order to apply for a federal grant or get money from another institution So we absolutely support and we're leveraging it. Thank you. Thank you. Thank you

[02:34:53] This time we have 15 minutes left and I will I would suggest as we move to community development or director Emily Kilroy is here and maybe speaking specifically about economic development and you know assuming the board is aiming to end about six having a discussion that specific item also because I know our transit parks folks have just arrived in case we're not realistically able to get to them just so they can plan their evenings but I'll look to the chair and have the meeting of supersede I think your suggestion is

[02:35:27] in that case we'll set aside the parts of community development for department and transit and I'll turn it over of the school right if you join us to talk to the economic development fund in the same way we've talked about the housing fund and the climate action funding at least they have a heads up yes yes so just to be clear so we're going to talk economic development

[02:36:05] transportation and transit they can go garland site yes yes okay um so are you good evening thank you for having me here this evening to go through the economic development fund so this this slide really zooms into the fund which is separate from the operating budget the purpose is to have funds available

[02:36:43] much like the housing fund to leverage and catalyze investments in the community and you know all with a goal for creating jobs attracting capital investment the funding sources for this fund our past one-time transfers from the general fund so there's no dedicated ongoing revenue stream into this fund and it's been several fiscal years since we've had a transfer into this fund for all great reasons the fund has had a fairly robust fund balance past uses this board

[02:37:22] is familiar with hopefully many of the projects that are listed on here some infrastructure and redevelopment projects such as the woolen mills redevelopment project that was both a redevelopment of the old mill site as well as some place making investments that were done as part of that part public-

private partnership agreement the barns lumber redevelopment project has not broken ground but has been in discussion and the board has supported that for several years that will create

[02:37:52] a public plaza a new road connection through prosa that will connect a lot of the historic residential portions of pros a to more that downtown area as well as developing new commercial buildings there and that's the fund that we use for grant matches for state grants so governor's announcements for commonwealth opportunity funds that follow large scale

[02:38:24] investments expansions by businesses and the large is defined by both a level of capital investment as well as job creation as well as the go virginia program the virginia job incentive program there's another one um that serves agricultural our serve our ag businesses uh agricultural infrastructure investment program aphid um and then site readiness so the the really the primary site readiness project that the county has is the ravana futures project um we also helped partner with the university foundation over the past several years on some set readiness work up at

[02:39:03] the north fork discovery park currently there's 3.3 million dollars and unplanned on allocated funding for um for the economic development fund and the recommendation that's in the budget and before the board over the next several weeks is uh would bring that balance up to 4.3 million on the next slide i understand there's been some discussion by board members about a spend plan for the economic development fund and what i'll share is that it's really a challenge for us to to say you know here's how we plan to spend the funds in

[02:39:41] the fund in any given fiscal year one is that without an ongoing revenue source we're always having to make judgments about how much can we support this understanding the balance of the fund as well as the you know that return on investment the potential benefits to the county that we would expect to receive by investing in any given project that comes before us on this slide this is not a full accounting of the that fund uses in fiscal year 25 these are these are some that that i put

[02:40:15] up here because as we do our budget planning so far in advance of when the fiscal year begins in august of 2023 when we started talking about fiscal year 25 these four items were not anywhere on staff's radar that we could have made a plan around you know they range in dollar value the The largest is the Afton Scientific Commonwealth Opportunity Fund match.

[02:40:39] That project, I know we talk about it a lot. It's an incredible project for the county because of the scale of the job creation and the capital investment, as well as just the investment in our biotech sector that is going to really open up a lot of other opportunities for us.

[02:40:57] Ravana Futures, we this year have spent, that one didn't come out of nowhere, But this year, we've spent \$61,000 on Urbana Futures, which is funded through that fund. Yesterday, we received a notice from the state that we've received \$613,000 through the GoVirginia program to advance our site readiness design work.

[02:41:21] And one of the things that's really stood out as we go through these state processes is the level of investment and the speed with which the county has really taken this project forward from, if you think about that tier system, Riviana Futures was a Tier 1 site in May of 2023, and as of September 2024, we're up to Tier 3, which is a – doesn't sound like huge movement, but is huge movement when you really look at what all that entails.

[02:41:47] And so through these strategic investments, we've been able to really gain some momentum that's being recognized by the Commonwealth, which we're really excited about. And then some partnership opportunities, a wine industry scale-up grant that we'll be helping to support.

[02:42:03] There's a lot of capacity at the area wineries to produce more wine with the equipment and the staffing that they have. And so this implementation grant will, over the next year or so, look at opportunities to expand access to markets for a lot of our local wineries.

[02:42:21] And then there's this burgeoning concept of an innovation corridor that really, again, tries to look at opportunities in biotech, national security, as well as digital technologies. That's a regional vision and so we're participating with a cash match through that fund And we're able to do that because we had those funds available really leveraging partners coming to the table together We even have some private sector investment in this project, which we're really excited about my next my last next and last slide Is just a couple of ideas?

[02:42:57] On things that could be on the horizon in fiscal year 26 again it's always a challenge for us to know exactly what those opportunities are going to look like the fund is really a wonderful tool for us to know that we have funds available to make decisions and be able to make some investments on on this on the time horizon of business which often is asking us to be able to commit to things on a fairly rapid timeline and in competition with other communities at times so looking at redevelopment opportunities the Home depot project is an example of a redevelopment opportunity where we

[02:43:35] helped sort of bridge the gap between a greenfield site and a redevelopment site site readiness work we're so excited about all the momentum and the work that we've done to increase the tier status for Ravana futures that'll bring us to two tier four sites in the county but we really need to start looking at the tier three and tier two sites that we have and what does it look like to continue to get those to sort of move up that scale as well. So that once you land, the next one is attraction, once you land a project on a tier four site, you need to make sure that you

[02:44:11] have more tier four sites sort of getting ready to go. So on attraction, working to, again, with the focus on the sectors that we have, fill those tier four sites with jobs and investment. Talked a little bit about the innovation corridor. That grant is a planning study to build a sort of a roadmap. And as that work wraps in fiscal year 26, there may be some real tangible things that we can help support to really bring that innovation corridor to life. What those are, we'll find out

[02:44:46] over the next several months. And then workforce development. There's a grant that we're supporting this year with the Siebel Biohub that is really looking at between the Afton Scientific announcement of several hundred jobs, and the Manning Institute that the University of Virginia is building at the Fontaine Research Park, that's going to have a hundred labs, a hundred research labs. Those will be run by a hundred principal investigators, and they will all have a small team of folks working in their lab, and those jobs are not PhD jobs. They're not even

[02:45:24] necessarily four-year degree jobs. They can really be lab tech, advanced manufacturing, clean room type experience. And so that grant is studying right now what are the gaps that we have to be able to ensure that the high schools, PVCC, the university can help ensure that we've got the right programs in place to have our community be ready to fill those jobs as those jobs come online.

[02:45:52] And again, workforce development, that study may illuminate some opportunities that we have to make some equipment investments or some space upfit investments that down the road could be things that we would fund through that fund. So again, that's just sort of a landscape of opportunities and the specifics we look forward to finding out as we continue our work.

[02:46:15] Just I'll close with we're on track to have a new economic development strategic plan late summer, which we're really excited about. That will help give us some focus, that the board will be a huge part in driving forward with us.

[02:46:31] And so that will help guide, I think, what some of the decisions ahead would be. And then, you know, Rabana Futures, again, we're so excited about the Go Virginia grant. And we'll continue to have to sort of make decisions about what the next opportunities are. How can we make sure we maximize the county's return on investment for that project?

[02:46:49] Thank you. Thank you. We'll go through our order with questions, comments. I have no questions thank you I think this looks great just had one question I think we're talking about workforce development grants workforce development funding we have trying to figure out if those are state grants where those grants are coming yeah so we we partnered with the local economic development groups as well as civil biohub as the lead to get a Virginia

[02:47:26] grant and those grants are great it's a two to one match so they give you two and if you put in one and so we're able to really bring down a good good amount of cash so with that all I would say is communication and working with and reaching out to public schools, PVCC, are going to really be critical.

[02:47:56] Thank you. Well done, as always. Just on 49, I was doing some math as you were speaking. The 10 to 1 on the Burbana Futures return, 37 to 1 on the Ashland Tied. That's leverage for the capital.

[02:48:15] And the only thing I would add is, in the Workforce Development Project, please keep in mind that we have a whole institution of federally trained and state supported people working on job skills they always get left off yeah because everybody's talking about the others but they're all working with as well as pbcc but when i graduated from college in 1971 i went to work in higher medical school that's one of those resources to some dishwashers that ended up publishing papers and stuff like that so it is

[02:48:50] a great career ladder job given that advanced degree and now of course the certificate students are far better prepared than i am with the basic sociology degree so we've made so much progress um thank you so with what's on the screen in mind um i mean these are individual disbursements that the development fund has made can you help us um kind of get a sense of what an annual

[02:49:24] amount of disbursement folks like? Sure. So, you know, between going back five or so years, it's ranged or, you know, it's different year to year, but anywhere between half a million and \$1.5 million. I think sometimes past performance is a great predictor of future need. In this case, you know, again, we're so excited about the more focused path forward that we think we're going to get through the economic development strategic plan so I'm hopeful that we'll be able to with

[02:49:59] this more regional thinking through the innovation corridor work and the strategic plan as well as just some of the investments private sector investments that have happened in our community the Manning Institute is a great example of that the National Security Data and Policy Center at UVA is another great example of that the new wet lab accelerator that's at the North Fork discovery park that opened um two weeks ago um is is another example of that um we think there's there's a lot of momentum building

um and we think the county can be a really powerful partner in helping us to make sure that those are not one-offs um but really grow um a really wonderful

[02:50:37] vibrant ecosystem for the community mr chair mr henry might have a comment to add if i could just To add to that, Ms. Kilroy mentioned the Project Naval 2.0 work. We had our consultants here a couple weeks ago, County Executive talked about the need for us to be diversifying our tax base, talked about where we are at a commercial level.

[02:51:02] This fund existing and what's planned, what's proposed in the County Exec's budget gives us the opportunity to be able to react. And I do think the alignment of the property acquisition at Rivanna Futures, all the work on the biotech, there's a lot of alignment to signal in the community growth.

[02:51:21] And this gives us the ability to react and respond more quickly. Thank you, Chair. First off, just want to note that the library has politely informed me that I only have the room reserved until 6. Someone is waiting, but they're willing to wait a few minutes.

[02:51:38] so i appreciate the public library so generously um and i also want to just acknowledge that the incredible work that the economic development team is doing is not at all a loss i mean i think it's very much the secret weapon that we have as a as a locality um that lets us outperform on our peers and it obviously benefits us it obviously benefits my district specifically right like the incredible value-added abstract and scientific is is tremendous um i am not sold on the necessity

[02:52:14] of this contribution to the fund this calendar year um fundamentally government is government funding is a zero-sum game right every dollar we spend comes from our citizens and every dollar we allocate towards one thing the budget means it is not going to something else in the budget um knowing that in our highest recent year draw it would still be half the value of our current unallocated amount of fund um does not make me think that even an aggressive like that aggressive

[02:52:53] posture we want to adopt would fully draw down the existing fund and and even if we did even if we were so lucky that those number of opportunities existed i would suggest that there are other ways that that opportunity could be funded in a pinch right we do have a reserve for contingencies and having such a high value we can only develop an opportunity sounds like a contingency we also i mean we can fund things through our capital fund i'm not as excellent but that is my understanding of how we actually acquired um broadband futures so it it seems to me that we

[02:53:29] have enough other like prongs in our swiss army knife that i am not sold on the necessity of such a large investment to an already uh sufficient handout for this year i think i can also count noses but um i wanted to just uh note that for the record and i actually i apologize mr chair i do have to discreetly exit now because all right thank you we probably are not too much longer here just following up on that comment I just would like to just get a

[02:54:06] sense the 613 new funding go Virginia what would have happened it was that ever was that anticipated during the budget time if it if it hadn't appeared was this considered something that was going to be funded through this fund how is that gonna work yeah so so there what there's funding available through this fund that's been sort of set aside for Rivanna futures related expenses we never budget we never plan to get grant money and because if we get it that's wonderful but but if we don't you know

[02:54:45] that's not a that's not a solid plan so every dollar that we're able to get from the commonwealth or you know from other funding entities over the next several years if we're lucky is a dollar that we didn't

have to spend locally um so there's nothing that we're hoping to do at urbana futures and sort of our master plan um that uh that we that we don't intend to do um the more that we're able to like we're allowed we're able to move a lot faster with state and federal dollars um coming into the project um this funding specifically um the 613 thousand dollars from go virginia

[02:55:24] is going to fund site design, road design, utility design, the VESMP, stormwater, and erosion and sediment control design plans that we hope tease up what we'll be funding from another state grant program that we hope to have a notice.

[02:55:42] We'll find out how we fared on that program in June. This funding is design funding that would allow us to really hit the ground running with construction if we were successful in that next program. Those designs need to be done no matter what if we were and we had been talking about locally funding that design work To get ahead of and ready for what we get what we hope is a successful grant application through the Virginia business sites program And we've been talking about locally funding it and then we came to discover this grant opportunity and said Well, let's go for it. And if we're successful

[02:56:18] Then that's one less money that the county is having to put in to advance this project And so it's really speed that the grants are giving us. It's work that we'll need to do no matter what. And so the continued investments that the county has been making, again, fiscal year 25, it's \$61,000.

[02:56:39] If you looked at fiscal year 24, it'd be a higher number. But to drive that conceptual engineering work that we did that has gotten people excited about the project and helped people sort of across the Commonwealth see that the county is serious about bringing this project to life. That has been the value of those dollars and so we're working really hard to limit the local dollars and there were the end of futures to try To attract state and federal funding, but these are dollars that if we truly want that vision to come to life That we'll have to look at local funding Absent any other outside funding. Thank you. I mean one of the things that I think needs to be said is that These opportunities come forward

[02:57:19] They actually help us to accelerate the needs that we'll have funding in economic development. In other words, if we didn't have that sort of impetus to get it going, we wouldn't necessarily need to be putting as much money into the economic development if we're going to make this successful. And the sooner it is successful, actually, the better off everyone in the county will be in terms of tax benefits of having that development and other aspects to the program.

[02:57:49] so exactly as soon as we have a ribbon cut up there it'll be generating revenue back to the county and the faster that we can get to that point the faster that happens thank you appreciate that are there any additional yes i drew a box around this regarding funding in the edf it reminds me of my reluctance to draw down the funds very far because i was worried about drawing down the health insurance fund five six eight ten it's come up over and over again for this

[02:58:23] very reason that it's going to go bang and then we won't be ready. So this is good. Thank you. Thank you. If there are no additional comments questions, then maybe take us just to schedule again and then we'll look to additional comments. Yeah, we'll pick up on March 17th when the school board will be here and we'll discuss the CIP. If time allows, there's just a few areas to budget, but they're not the largest drivers. I want to thank the board because it's not lost to me that we can go tonight. Y'all had a very late night and had two very in-depth discussions this week so again i appreciate all the questions we'll continue

[02:59:02] to get those out before the next work session and i will share that on march 19th uh the biggest item in terms of adjustment of the budget i've heard from some board members is really that housing number and how that may be addressed um but if there's other thoughts we'll continue on on march 17th but again thank you for all your attention so on march 17th while we are doing schools primarily we will also try to pick up these some of these items or we're going to hold We could I think to these if time allows I think would be good to go through capital and then we can get time allows we cannot through those the other items. Thank you.

[02:59:39] One more thing if you don't mind. Sure. If this type of thing for the next meeting is if we can get that by email ahead of time to be able to read it rather than trying to squint in small print as I'm trying to listen and write questions down. It would be very helpful. Even if you change it a little bit when you get in the room I'm okay with that.

[02:59:58] it's great again thank you I appreciate how well prepared you are but I recognize that you're also going from meeting to meeting to meeting and be prepared on time maybe that it's when it's ready yeah miss Malik makes great point and and I'll just say that for this one we received the final draft at 11:36 p.m. last night so so we're we're sometimes just like the board but I understand miss Malik asking that question I appreciate that very

[03:00:34] much just to let you know and I will send you the link I'm I just receiving my planning commissioner um they have released the billions in medicaid cuts by the house that have been passed haven't gone to the senate yet we all know this is in flux but you can look it up now by congressional districts which is very informative so i'll

[03:01:09] send you that link and thank you yes that's all i had to say thank you no sir no sir



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