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Albemarle County Board of Supervisors Budget Work Session, Monday, March 9, 2026

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[00:00:00] Good afternoon, everyone. I am going to call to order the Board of Supervisors for this March 9th, 2026, 5 p.m. budget work session here in room 241. All board members are present. We also have Mr. Jeff Richardson with us today, our county attorney, Mr. Andy Herrick, our board clerk, Ms. Claudette Borgeson.

[00:00:22] We have a multitude of staff with us today. I want to thank officers Dylan Shiflett and Enzo Hirazari for being with us this afternoon. And thank you, gentlemen, for being here. And I do want to recognize that we have our commonwealth attorney, Mr. Hinchley, with us, as well as our circuit court clerk, Mr. Zuck, as we're dealing with their portions today.

[00:00:44] If we have questions, they are available to us as well. But, yeah, we're ready to kick off our work session number one and see how it goes. So, Mr. Richardson, am I going to you or am I going right to Andy? Right to Mr. Bowman, sir. All right. Good evening. Good evening to the chair of the board.

[00:01:01] My name is Andy Bowman, Assistant Chief Financial Officer. I'll be kicking off the presentation today. Others will be introducing themselves as they step up to the mic, as we'll be sharing a series of topics today. I'd like to start every work session.

[00:01:16] Where have we been? Where are we going? So to date, this is work session number one. The county executive presented a budget on February 25th. The board held a public hearing on that on March 4th. No action is requested by the Board of Supervisors today. That's going to be true in work session number two.

[00:01:33] And, oh, thank you. Well, hold on. Do we need to speak directly into these, or does it pick up? Yeah. This isn't like your traditional mic, and I should have caught that at the beginning. So we speak in here like we normally would, but just like when they were in there, I'm just going to say make sure you amplify and project and enunciate well.

[00:01:51] And I'm going to call out Mr. Grant and tell him to give us a review, because this is a new sound system. And if he's not listening live, then he will be paying attention later. So please send your feedback in on how this new sound system is working. But don't feel the need to pull it.

[00:02:08] You don't have to do that. Thank you. Sorry, Andy. No, thank you. Thank you for the subtle hint as well. So no action is going to be requested by the board today or in work session number two or number three. That will change work session number four where the board is going to be asked to take action to propose a tax rate and propose a budget for public hearing.

[00:02:28] At that point, the budget moves from becoming the county executive's recommended budget to the board of supervisors' proposed budget that will then be adopted on April 22nd. This date is very important because when the board advertises a tax rate, the board can only adopt a real estate tax rate at that amount or less.

[00:02:47] And so if the board at that time is willing to entertain a higher tax rate, that 18th work session is going to be pretty key. After that proposed budget is set, there will be a continued series of town halls. There's a work session in April if it's needed, and we'll conclude with public hearings and the adoption in April.

[00:03:08] Before we dive into content today, I want to spend a moment on just the process of the work session in terms of what has worked well in the past. Staff is going to present a level of detail in between what the county executive presented in his initial budget and the full 350-page document.

[00:03:25] So I guess you could think of this as a miniseries adaptation of a 350-page novel. So we'll do our best to give as much time as we can for discussion, presenting information in small chunks. We'll be listening for the board very closely, of course, to answer your questions about the budget.

[00:03:41] And if there's any question that we can't answer on the spot, we will post that online so that the public can see the transparency and how we're responding to things. The other thing that staff is listening for is what I'll call the list in quotes for potential adjustments. So as we walk through chapters of the book, the board may desire to see more or less or just a change in something in the budget.

[00:04:02] What we have found has worked well in the past is to capture those things along the way and bring those back as a package with some options for the board's consideration in work session number four. There's also not an expectation if the board wants to add something. There's not an expectation on the spot. They must identify something to reduce to fund it. Generally if we can come up with a package and get a sense of where the majority of the board is that will help us. Do the best work on work session number four again. This is based on what's worked well in the past and we'll of course adapt to the newly

seated board Today's agenda is going to walk through these chapters on the budget a very high level the total county budget

[00:04:39] We're gonna spend our time on general fund revenues general fund expenditures with a focus on compensation or HR director jessica rice is here after that it would be a good time to take a break if the board desires and then we'll pick things back up with public safety including our chiefs will be here then judicial again i appreciate our constitutional officers being here at five o'clock for the last item on the agenda thank you for being here in your partnership i guess i'll just say their requests are fully funded

[00:05:09] on the draft agenda we did publish in the non-departmental chapter based on the content preparing for today preparing for wednesday staff thought it would be best to cover non-departmental on wednesday just given the length of topics and depth today so uh the last thing i want to do before we dive into content is really just take a moment though they don't like to be publicly recognized i need to publicly recognize the team the office of management budget they are the team who helps create these presentations, authors the book, responds to the Q&A, does all the work with

[00:05:45] our partners in the audience just around the year. That's Caitlin Malcolm, our Chief of Budget, Ryan Davidson, our Deputy Chief of Budget, Senior Budget Analyst Larvin Zant, Senior Budget Analyst Tia Mitchell, Budget Analyst Thomas Unsworth, and of course our Chief Financial Officer Jacob Sundner. So with that, I'm going to take my first pause before we talk about the total budget just in case the board has any questions about process. All right, so I'm going to start at about the 30,000 foot view with a few slides from the county executive's presentation. These are really just

[00:06:22] a summation of all the balancing considerations that go into putting in the fiscal year 27 recommended budget. And I hope that the board of supervisors, as they think of whether you were seated on the board or whether you were observing as a candidate or a board member elect, you can see a lot of the board's discussions reflected in this budget. Starting at the bottom left, we have the six strategic plan goals, and we'll spend a lot of time in the budget tying those to where the money goes. We talked with the board at two meetings in the fall about the five-year financial plan how we have a different plan and a different long year outlook but the short-term outlook is very cloudy and uncertain we talked about revenues and the economic outlook in october with dr bailey

[00:07:00] obligations have been a big part of this budget for both county government public schools and the capital debt program and we'll spend more time talk about those in the work sessions and finally our financial management policies the board of supervisors updated these in november of 2019 they become really the backbone a lot of our financial planning and i want to spend time today because this is the first time we are proposing use of the budget stabilization reserve in this budget. So I'll walk through the why of that. Three budgeting strategies that will be a theme that the board hears through the next three work sessions as first of obligations. Again, whether it be from

[00:07:37] picking up FEMA Safer Grants or Fire Rescue, supporting community public safety partners, opening two new schools, funding debt obligations for the the major capital projects in the coming years. Multi-year planning as we think about how do we get to the more rosy revenue picture when economic development projects come online and the tax base changes. How do we begin to navigate that? How do we plan for the situation for the school's very strong state revenue growth so that we can be better prepared should the LCI or local composite index be unfavorable for them in the future? And again, strategic plan is going

[00:08:14] to be a guide. You'll see in a lot of these presentations, numbers one through six in the upper rights of slides, once we get to the expenditures, that's going to tie to the strategic plan goals. So let's talk about the total county budget. This reflects every dollar that will be coming to the county, operating, capital, debt service, any special revenue or restricted funds that will be part of the schools and county government in fiscal year 27. I want to take a moment, not going into detail on the revenues, we'll do that with each major fund area. We'll do the expenditures, take a closer dive at what the county executive presented about where does the

[00:08:52] county as tax dollars go? The answer to the question is first, education. 52 cents of every dollar operating capital and debt in fiscal year 27 will be for that big orange piece on the left. Next largest category is public safety and green at 14 cents. The next largest category after that is community development. That's not the department. That's the entire area of the functions of community development. That area is larger in this year because that amount includes just under \$41 million for the construction of Boulders Road that would not be part of next year's budget.

[00:09:25] I'll clarify that the 10 cents for county government operations, that includes both county administration and also the entire facilities environmental services. That is a department that has a dual focus of supporting maintaining our facilities, but they also do a lot of proactive environmental services programs, water resources, public works functions as well.

[00:09:43] Health and welfare and parks and recreation are the remaining ones on the right. So a question maybe on the board or the public's mind is the total budget is going up \$86 million or 13.5%.

[00:09:59] Why is that? And despite all the numbers and figures, it's really three primary changes that explain that \$86 million increase. The first is that general fund local revenues, which are primarily tax revenues, are going to increase 7.6%.

[00:10:14] Now in a few slides, I'm going to take a moment and I'll talk through that in more detail. The second major change is there's almost \$13 million in new state revenue support for the public schools. That's about \$11.7 million in their primary public school operating fund.

[00:10:29] The remainder is in what's called a special revenue fund, where there's some sort of state or federal restriction around how that money can be used. And then third, I mentioned Boulder's Road before. This is a \$40.8 million capital project in fiscal year 27, and the sources are really coming from all over.

[00:10:46] The state is committed to provide \$20 million to that project. The developer, AstraZeneca, has committed to provide \$12 million to that project. The Economic Development Authority, they have contributed \$500,000 to that. And the remainder of that project is going to be covered by donated right away to the county because the county owns the land at the Rivanda Futures property.

[00:11:05] There's money that the Board of Supervisors has previously appropriated into the Economic Development Fund. That is being recommended to reallocate to fund the cash and the debt service for that project in the recommended CIP. So this is just a clarification. I think I may have made it the first work session that there's a contemplation of another \$4.15 million to the Economic Development Fund.

[00:11:25] That is an entirely separate decision than Boulder's Road. All of the changes after those big three are essentially flat. So the total budget, why that's going up, that is the reason. We don't really spend a whole lot of time, though, in the work session talking about the total budget.

[00:11:42] The general fund is really the primary focus, and that's for three reasons. First, that's where all tax revenue comes in that is not restricted by the state. Second, that's where the Board of Supervisors has the maximum amount of policy discretion. And three, when it comes to the public school operating budget or the debt service fund or the CIP, the general fund is the primary funding source of those.

[00:12:04] So with that, I will move into general fund revenues, but I'll do another quick pause just in case there's any question on the total county budget. What was the state contribution for the \$40.8?

[00:12:21] \$20 million. Okay, \$20 million. Okay, got it. Thank you. I guess just to confirm, the 48 for the revenue for Boulder's Roads included in that total for 48 and 52, yeah, so for the 13.5%.

[00:12:36] Yes, so another way to think about it, if Boulder's Road was not part of this, the increase in the budget would be a little more than half of what it is on the screen. And that's very common. There are years where you'll see major changes just due to the timing of capital projects when they stop and start.

[00:12:55] Next year, you would see all else being equal if the plan moves forward. would be a big increase in the school CIP when Northern Elementary School moves to construction, just as there would be a decrease the following year when that comes out. All right, general fund revenues. This is the longest chapter we're going to cover in the book today, and so I'm going to split it in two. I'm going to talk about other local taxes first, and then we'll go through a round of questions with the board, and then we'll talk about the other non-local taxes. I'm sorry, non-local tax revenues. In the general fund, the budget is balanced on the current tax rates

[00:13:34] for real property, personal property, transit occupancy, and food and beverage. Now, no food and beverage is at the cap. This is the chart of the donut or the bagel, the wheel, however you would like to think about it, of general fund revenues that total \$512 million in fiscal year 27.

[00:13:54] For me, there are three takeaways when I look at this donut chart. The first of which is that local government is primarily locally funded. State and federal revenues only make up 8% combined of our budget. A lot of that is directly related to the Department of Social Services, and we'll speak to that more in a moment.

[00:14:12] Second is that of all those local revenues, general property taxes are the largest contributor at 69%. The third takeaway is one that's actually not on this slide. I went back last year and said, how did this donut chart compare to where we were a year ago?

[00:14:29] And there's one change. A year ago, other local taxes was 18%. It's now down to 17%. That 1% went to general property taxes, which was up to 68 and was now up to 69. So I want to spend a few moments and talk about revenue diversification and really build on some of the comments the county executive shared in his presentation.

[00:14:52] So we spent a lot of time, whether it be through the five-year plan with Dr. Bailey, with the Ravana Futures Property and the Economic Development Strategic Plan, all about why tax-based diversification matters. And this chart really summarizes the cost of community services with our changing tax base.

[00:15:09] We can see that from 2015 to 2025, the real estate tax base has become much more reliant on residential and multifamily. It increased from about 65 to just under 74%. Agricultural had a decrease from 19.7 down to 15, and commercial and industrial shrank from 15 to 11.3.

[00:15:31] I'll share that we have not finalized the land book because the appeals process is still underway with our county assessor, But we're seeing that trend continue in calendar year 26, where that 11.3% in commercial would be probably closer to about 11% even by the time that is done.

[00:15:47] And we've seen residential and multifamily inch up more by a couple tenths of a percent. The reason this is so important is not just the revenue that comes in, but what does it cost to deliver the services to these various classes of property. And so for residential and multifamily, it costs more to serve those than it does to collect tax revenue.

[00:16:06] The primary reason for that is public schools. We have a well-funded public school system, to quote Dr. Haas if he's listening today, and it's one where because of that, just the cost per pupil and how to translate to the taxes is very different because that is the tax base where children come from.

[00:16:25] Agricultural and commercial and industrial are much lower. Those are ones that are revenue positive when they come in. So commercial revenue can help offset residential service costs. So this is not to say that growth happens or economic development happens without regard. This is the plan in the Economic Development Treaty Plan to focus on particular sectors and where that comes from.

[00:16:44] Another way to look at tax-based diversification is this slide that I pulled out of the budget docket. And sorry, this is not the easiest thing to read. Hopefully it's a little better for people online. But this shows a very long history from fiscal year 4 all the way through fiscal year 27 about how general fund revenues have changed by category.

[00:17:06] We can see in the top line in blue, so three takeaways on this slide as well. Top line in blue has increased from property taxes being 56% up to that 69% in fiscal year 27. That growth has really come at the expense of two categories, first of which is state and federal.

[00:17:24] The gray line there, we can see in fiscal year four, that number was at 16.7%. It's been on a steady downward trend to where we're at 7.9% in fiscal year 27 of the general fund funded by state and federal revenues. It's a pretty significant change of almost a drop of more than half.

[00:17:40] Not as dramatic as percentage, but also of interest is the orange line, which is other local taxes. That was 23%, and over time has decreased now to 17.3%. I want to take a moment to dive into that a little bit more. The reason that one has really been harder to grow, because Albemarle County is restricted by the state of Virginia because we are known as a Dillon Rule state.

[00:18:06] So for those who are not familiar with the term, at Dillon Rule state, I say I'm talking to the people online, not just the board. I know you all know these very well, but the Dillon Rule is really where a governing body can only do those things granted by the state. And so these are the tax rates for the other local taxes category, the amount they are projected to bring in in fiscal year 27, what that rate is, and whether it's the maximum allowed by the state.

[00:18:29] And for all categories, transit occupancy, which is not recommended to change in fiscal year 27, all of those are at the state cap. So that is not an option that is available for the board to explore other than transit occupancy. Although, if they wish to explore that through long-term legislative programs, that could be something such as the 1% sales tax that would be for school construction, currently being debated in the General Assembly.

[00:18:51] So, let's get down to some details of the numbers of what makes up these revenues. I'm going to focus first on real estate tax revenue. Real estate tax revenue is assessed based on fair market value established by the Virginia Code. In January, the County Assessor, Peter Lynch, spoke in great detail about the assessment methodology, how the process works, the appeals, so I'm not going to recap that today.

[00:19:14] I will take a moment, though, and put in a quick plug for the Real Estate Tax Relief and Elderly and Disabled Program. It's an expense that appears in the non-departmental chapter. So if you are someone here listening online or you know someone who may qualify for this program based on the criteria in the presentation, please contact the Department of Finance and Budget.

[00:19:34] We will assist you with the application process and the application review that takes from there. That's a number that the board has worked to expand that authority, or not expand the authority, Expand the eligibility criteria, and that's actually up to \$2.8 million of tax relief the board is now providing for folks who qualify.

[00:19:50] We'll talk about that more on Wednesday in the non-departmental chapter. Real estate revenue is projected to increase \$20.5 million, or 7.6%. That is primarily due to the 6.2% reassessment in calendar year 26.

[00:20:07] Sorry, there's a typo on that slide. No, I'm sorry, from calendar year 25. Typo in my mind. The reason that number is even greater is because we also have an impact of new construction, land divisions, and other adjustments that will increase the tax base.

[00:20:26] So in the actual rate for real estate, again, that is recommended to be at 89.4 cents. But I want to take a moment and really define this term of lower tax rate in quotes. This lower tax rate is defined by the Virginia Code, and it is established as part of the add on the tax rate.

[00:20:43] And what this means is, what would the tax rate be if the board were to set a tax rate that would offset the increase in real estate assessments? So the county would still receive increased revenue from new construction and land divisions, but that rate, which in this case would be a decrease to offset their assessments, and that is 84.2 cents for \$100 of assessed value.

[00:21:05] If the board would desire a change in the tax rate, the value of a penny is \$3.3 million. I put up here, the board has an allocation of shared revenues that is used to guide what goes to capital and debt, public school operations, and county government operations.

[00:21:24] Those amounts are if the board were to follow that split. I will share that historically, most of the time when the board has made changes in the tax rate and has not gone through the split, the board has decided to dedicate that for one purpose or another. So every tenth of that is worth about \$0.3 million.

[00:21:40] So that information is available if the board desires to make that change. I'll move to personal property next. This one, I'll have to admit, is a little more complex than real estate because it has some different categories and some different relief programs.

[00:21:57] So, again, the rate is recommended to remain the same, \$4.28. The assessment method here is the Virginia Code authorizes a few different sources and assessment methods. Now, in Morrill County, we are using the clean trade-in value as published in January of J.D. Powers' Used Car Guide.

[00:22:15] And that's where vehicles and motorcycles, other classes of personal property will have other methods defined in the state code. So this is a source that is increasing from fiscal year 26 to 27, a total of

just under \$7 million, or 17%.

[00:22:31] There are four factors that are driving this, and a lot of this is based on activity that is actually taking place in fiscal year 26 that will more than what is changing in fiscal year 27. So these four factors first are the collection rate. The Revenue Administration team in the Department of Finance and Budget is always looking at the tools available in the state.

[00:22:51] Our procedures, and we have seen, or people just happen to be paying more on time, we are seeing our collection rates uptick, and that is reflected in this projection. The second thing is an increased number of vehicles. We have seen, just through our regular practices, whether it be businesses or vehicles, always doing audits to make sure things are garaged and located in the proper jurisdiction.

[00:23:11] As it turns out last year, there were about 500 vehicles more than usual that were picked up and added to the county's roles that were already here. That plus businesses and others is why that number continues to grow. The third reason is really the source data that we're getting from J.D. Power.

[00:23:27] If you were to go back prior to recently, we would get data from J.D. Power, and it would really be about the make and the model of a vehicle. What we're getting now from the assessment tool is much more refined level connected to a VIN, and so you can get data about what a trim level looks like. And so rather than a make and model being assessed really the same regardless of trim level, we are seeing much more differentiation in that trim level.

[00:23:49] So the higher your trim level is, the higher your tax bill would be. And then the fourth thing is we are seeing changes in the vehicle market where the board or others listening may remember that about three to five years ago, it was pretty tough to get a new car. Supply chain issues, all of those issues were out there.

[00:24:06] One of the prime used car markets are cars that are three to five years old. So just as there weren't new cars three to five years ago, there's not as many used cars in that three to five time frame. And so we're seeing definitely a shift in what the macroeconomic base of car makeup is in terms of used versus new in car prices.

[00:24:28] So that is the explanation for the increase for vehicles and motorcycles and other personal property. There is tax relief that is provided by the state, and this is provided progressively. So if you have a vehicle that has a value of \$1,000 less, you do not receive a bill that is due to the county.

[00:24:48] The state will provide full relief. Next, if you have a value of \$1,000 and above, for the first \$20,000 of that, you'll get 39% relief from the state. Any car values above \$20,000 do not receive relief from the state.

[00:25:09] Taking a look at the other categories, 84% are from personal vehicles, but there's a few other small ones. Business tangible personal property, which is really just vehicles owned by businesses, they are assessed the same as personal property, and the rate must be the same as that tax rate.

[00:25:28] They do not receive relief. Two other small categories are machinery and tools, boats, airplanes, and manufacturers. If the board would like to set a different rate for those, they can only go downward from the personal property rate. Right now, all of these rates are equal at \$4.28 of assessed value per \$100 assessed value.

[00:25:45] Again, if the board would like to change a penny on this tax rate, it would be one hundred thirteen thousand dollars per penny Those are the announced by split and again The board has their discretion to whether that is split or dedicated for particular purposes One more slide before we take a break other local taxes. I'll take a break before we turned over the board for questions the This is a tax group of taxes that really in the pandemic and coming out of the pandemic I had a lot of charts and graphs to talk about how sales tax was changing food and beverage

[00:26:23] consumer, business licenses. But this is one where this year, it's really just modest growth and things are kind of saying slow and steady. I would say modest, not slow. There's a few taxes where we're seeing some weakening. There's others that are just humming along. But I would characterize these increases as relatively modest. And in the other local taxes, these are the sources that make up 94% of that total. So with that, before we go into other local revenues, state, federal, and fund balance, I will turn it over to the chair because this has been a pretty deep dive into other local taxes, and I'll be happy to answer any questions.

[00:26:55] Let's go to the supervisor. No questions. Supervisor Missal. I guess I'll ask this now, and you can tell me the punting delay. As we talk about increasing, whether it's personal property, any of the taxes in general, what has been the trend?

[00:27:18] I mean, has it been pretty stable over the years, or has it been sort of up and down? Yeah, so going back on real estate taxes, for the last, I won't say 10 years, but I'm going to fact check myself. There's been two increases to the real estate rate.

[00:27:34] The first of which was, I believe, in the fiscal year 20 budget process, where there was a general obligation bond referendum, and it was foreshadowing in that referendum that there would be a tax increase to fund the capital and debt impacts of that. So the board approved that, I believe, was 1.5 cents. It was a year later than planned, but that was the first 1.5 cents that was approved.

[00:27:55] And then last year, there was an increase of \$0.04. That was allocated \$0.3 for public safety, \$0.4 for public schools, and \$0.4 for affordable housing. I guess I was really thinking more about personal property. Thank you.

[00:28:10] So personal property is one where we went back and we researched this. And from the 1990s, I think it changed the first year, except in 2020, I'm going to say two or three. but there was a time where used car values were spiking probably upwards of 30 to 40 percent plus the board at that time dropped that rate 86 cents with the idea they needed to have some temporary relief from that rather than collect it all and do a rebate or you know collect it all and just collect it all and so what happened over the last couple of budgets is the board had gradually increased that funding back and now it's been restored to the four dollars and 28 cents where has been for the majority of the time in its existence.

[00:28:51] That's it for me. Supervisor Duncan. What is the cap for the transient occupancy tax? There is actually no cap on the transient occupancy tax. Do we know what other sort of large counties around the state with their percentages?

[00:29:09] We can. I can provide that through the follow-up of the board. I will share, last time we looked at this, it's very common to see cities and counties who are adjacent to each other have the same rate. So right now the city of Charlottesville also has a 9% But we can provide that data for different metro areas, Northern Virginia, the beach, and show where those are historically.

[00:29:28] We'll take that as a follow-up. Thank you. Supervisor Malik. Thank you very much. On page 19, I may have missed something. I'm talking about the number of vehicles being registered in the county, so there's more enforcement of people who come here for years and years and don't move their Florida tags.

[00:29:47] Is that part of it, or is it just a Denver car security? It's both, and I would ask, I'm going to look at the back. And Jennifer, you have Jennifer Matheny, our Chief of Revenue Administration, has the full permission to say there's a detailed response that could be a follow-up there.

[00:30:05] But would there be anything that you would add other than it's both factors? Jennifer Matheny, Chief of Revenue Administration. We, a big part of it is due diligence. DMV has changed their process in how they put in addresses.

[00:30:21] so they have a new system on the back end that verifies locality or your garage jurisdiction more than it did before they did that last year that has cleaned up some of it so when you go to the dealership and you buy a car and you tell them you live in charleston virginia and they just put everybody in the city and then later on we have to find them all because the that's our most common scenario. And then we also do have the ability, we have access to the state

[00:30:55] police website, the SIN, state police system, where we can go in and inquire. And when we get notifications about untaxed vehicles, such as in Florida, we do follow up on those and try to do our due diligence to determine if that is something that is technically located in Almar County. So it's an ongoing effort at a lot of different angles. If there's something more specific you want to know i can thank you thank you um yeah one question then like one

[00:31:32] statement that comes to mind uh first can you remind me i i feel like i remember learning this is tot uh revenues earmarked for specific purposes their a portion of that is and so the the state code uh the county has a nine percent tax the way the state code is written is the three percent of that tax between two and five percent is restricted for travel tourism purposes understanding money in a budget is fungible it can be moved from pot to pot i'm also curious is the is the portion of

[00:32:11] do our tourism-based expenses um exceed the portion that we are currently putting toward that from tot uh i would need to go back and see uh what else we may cover i mean really right now Our goal is to kind of assess what is covered by that 3%.

[00:32:32] Because anything above the 3% is unrestricted for whatever may be used there. But we could take that as a follow-up as well. What I'm thinking of is, is there still a pot to even fill if we increase this rate? Yeah, so if the board were to increase that rate further, that would not be restricted to the state.

[00:32:52] Just when the board moved from a few years ago, it was 5 to 8. The board increased it to 8 to match the city. And then with the city, both moved to 9 together. And everything from 5 to 9 was unrestricted, just like the 10th percent and so on would be unrestricted. Helpful clarification. The other kind of just based on where we are in the PowerPoint, I think the normative statement I want to make is we every year have legislative priorities.

[00:33:17] We've had the same set of legislative priorities almost exactly during my whole tenure on the board because everything we're asking is getting vetoed. I think we're expecting to see a lot of the things we want, we get in the coming cycle. And I think we need to start thinking, oh, what are some more particularized things we want to ask for?

[00:33:38] And a lot of our revenue powers, I think, could be more expansive or more nuanced. Just from this presentation, too, that immediately popped off the top of my head is personal property and machinery and tools are coupled. I don't want them coupled. I want a higher M&T than personal property.

[00:33:56] I want to be able to provide tax relief to individual residents who have cars that they own while making sure I'm getting as close to the Laffer curve as I can on the major industries that we have that we would like to have that diverse revenue supply from.

[00:34:14] But I can't do that right now, and General Assembly could let me do that. that's something. Currently, if I'm remembering correctly, if a car is owned by a business that is not a Virginia-based business, even if it's Virginia-based, but if it is incorporated in a separate state, that car does not have to be counted as garaged here, if I'm remembering correctly. There's a lot of, like, Maine-based small business, or Maine license, every record

[00:34:49] this license because they don't pay taxes on it and they don't have to be uh because of how garaging works that is a loophole that exists to the benefit of uh of business um that could be closed and it would provide some some marginal uh improved revenue that could also provide additional tax relief toward uh the rest of our residents in the future these are the kinds of thoughts i think we should be having now that we have a slightly more sympathetic administration as we move forward Like, what are the frustrations we have during revenue generation, and how can we correct those frustrations?

[00:35:33] All right, so we will move next to other local non-tax revenues. This category of revenues is just under \$20 million, growing at a little over 4%. Just some examples of what primarily makes up this are on the slide.

[00:35:51] There are two things I want to highlight for the Board of Supervisors that do not need to finalize today because we do have future work planned. We've included in the budget \$80,000, which would contemplate a charge for microcat services effective mid-year. I would recommend to the board that we discuss this on March 11th in the context of the total transit expenditures.

[00:36:12] I know we have some representatives from other transit agencies here at that time. But it's also not that we would decide that on March 11th. This would be one conversation that future ones would consider. And also really targeting this for mid-year to allow ample time, if the board wants to move forward with this, to really shape what is the best way to balance that.

[00:36:29] The next item is about community development fees. So there was a study done on community development fees several years ago and recommended a regular updating of the benchmarking for the cost of service. It has been several years since that has taken place, and so staff is recommending and has communicated to the development community when the budget was released that, effective January 1st, they would look to do a benchmarking for the cost of those services.

[00:36:58] So on the Board of Supervisors, March 18th, There would be a little more information about this. We're requesting the authorization to hold a public hearing. That public hearing would be held on April 15th, which is the same night as the tax rate and budget public hearings because this is all part of the budget.

[00:37:16] And we'll discuss that a little more in the coming. Those are two things that I want to highlight for future discussion with the board of supervisors. Next on state revenues, again, the 6% of the budget is about \$30 million, and they are essentially flat for county government.

[00:37:32] I should say county government and a portion of these are shared with the schools where they're not designated for particular county services. So half of this comes from the personal property tax relief that I mentioned before. The next largest category is reimbursements for expenses, both administration and direct service in the Department of Social Services.

[00:37:53] We also receive designated support for public safety departments, constitutional officers, and the registrar. And then we also receive some taxes that are collected from the state and remitted back to localities for telecommunications and vehicle rental tax. So the state budget is not done, and it's very rarely done, it seems, when the county's budget's adopted.

[00:38:11] But looking at the draft budgets in the House and the Senate, we're not anticipating a major shift in our state revenues at this time. Some of the big items they are consistent in, such as public safety support is level funded in both of those. So the personal property tax relief would be a major statewide issue with that change.

[00:38:28] It's actually been the same amount for almost 20 years now. And just some of those other items, there will probably be some variance, as there typically is, but we're not seeing a major change based on what we know as of today. We move to federal revenues.

[00:38:43] This is another one we're watching closely. In the general fund, this is about \$10 million, and 99% of that is funding that's in the Department of Social Services. Again, reimbursing the cost of administration and also benefits that are going through the county, the department, and that's down.

[00:39:00] These are actually going up 9%. This is not really a change in the reimbursement methodology. If we were to go back last year, I would say that we over-budgeted what we received from the state and under-budgeted what we received from the federal government.

[00:39:18] So we're seeing a little bit of leveling out of that this year. Because, again, you can see the state government, the state money in total was flat, 0.2 growth, and we have a little bit more stronger growth in the federal. So we're continuing to watch this very closely as there's questions about SNAP administration, which is supplemental nutrition.

[00:39:39] Just thank you, Ms. Matham. And we're watching that very closely, and we'll continue to keep the board updated. Beyond the general fund, just to take a highlight about where our federal revenues are and where the county's biggest vulnerabilities would be. And special revenue funds for county government, which, again, those funds from the state and federal government, which have a lot more guardrails around them.

[00:39:58] The Housing Choice Voucher Program is 89% of that amount, which provides a lot of really critical assistance to folks in need in our community. The Public Schools Operating Fund, we'll hear from the schools next week. They have medicaid reimbursements for special education programs and then they have a portion of a little over 12 million dollars in their special revenue funds for the programs that are listed and they can best speak to any risk areas in there when they're available to speak next week so finally we're going to talk about general fund fund ballots and so this is a visualization that

[00:40:33] is new this year really how do we clarify what makes up the county's general fund fund now first to define what that is, there is \$98.3 million. If you were to look at our budget or if you look at the end of fiscal year 25 in a county's audit of \$98.3 million. That is the result of really every year in the past, all county revenues received in the general fund minus all county expenditures made out of the general fund.

So I've color-coded this really to kind of put the size, where are the dollars and what is the board's flexibility in those in the financial management

[00:41:09] policies. So first on left in the red is the unassigned fund balance policy of 10%. This is set by the board's financial management policies. This is sometimes informally referred to as the hurricane fund. It would be recommended to never touch this unless you absolutely had to for cash flow purposes. So imagine there's a hurricane that washes out a major highway, breaks a dam.

[00:41:31] Imagine there's a wildfire that burns down a couple of shopping centers. Things are very fortunately low probability, but they do happen around the United States. That's why you have that reserve those really dire emergency situations for cash flow the second is in orange again having two reds the visibility was not great but those are things the board has already obligated in fiscal year 26 and so the board of supervisors will reappropriate funds from one year to the next to carry it forward the board of supervisors and their financial management policies a portion of that is the 10 and the 2 grow year to year a portion of that is needed to

[00:42:07] be reserved. And so that is, I guess, could theoretically be undone if the board were to revisit a decision it made this year. But really, that's kind of the decision the board has already made and it sort of hands-on in this process. Next, we have in yellow, the 2% stabilization reserve under the board's financial management policies. That's in yellow because it can be used, but it needs to be used for some discernment. And I'll talk more about what that is in a moment. Then we have in green, there is \$10.7 million above really the policy requirements of the board's supervisor. So we talk about one-time money into the affordable housing investment fund, one-time money into climate action, the economic development fund, and some

[00:42:46] other one-time costs. That 10.7 is the source for all of that. There really is no restriction on that as long as the board is using that for a one-time expense. Some of that is also going into the CIP as well. And finally, there is a school policy reserve of \$4.2 million. The school board is allowed to retain up to 2%, and that lives in a really a sub-fund of the general fund. And that is available for one-time expenses the school boards will request that if they would like to address that for items in their budget or do something different so let's take a moment to look closely at that budget stabilization reserve since we put a yellow light on how that is used

[00:43:24] thank you i can't guarantee we're going to turn all our donuts into those charts but we'll i'll save that from the team in the back who makes all these slides all right so the financial management policies this is the words right out of the board's policies, I'm going to highlight the most important things. This is using the budget stabilization reserve is appropriate in a difficult budget year. Staff would advocate that we are in

[00:44:00] one because without use of this budget stabilization reserve, without an increase in any tax rate, there would be a notable reduction in services. And that's really that cost to maintain the quality of services. That is really what we're speaking to there. It's also appropriate because we do have a forecast right now with the changing economic tax base where there is reason to assume that our revenues will grow differently.

[00:44:24] If that was not on the horizon, staff would not be recommending using this budget stabilization reserve. This is to find a way to bridge from where we are right now to the out years of the five-year plan

without a major impact or disruption to services. And finally, the clarification that if this balance is to be reused or used, it needs to be replenished as quickly as possible.

[00:44:45] So the plan here, and also there's risk in using this, is the yellow light. So I'm going to lay out how we were mitigating risk to give board the confidence and staff's approach. is that first a portion of the reserve would be used it would be done over multiple years so the plan would be first in fiscal year 27 based on the fiscal year 27 recommended budget the total amount of that reserve would be 12 million dollars based on the 27 revenues three million dollars one quarter of that or 0.5 of the two would be recommended to be used in fiscal year 27. an additional quarter identical amount of three million dollars will be planned to use in

[00:45:21] fiscal year 28. that remaining one percent would be recommended to be untouched because should there be a shock from the federal government, an unexpected turn into the economy and other things, that's still a resource that's available to the board to help navigate all this uncertainty.

[00:45:37] And then when we get to fiscal year 29, the idea is we would be no longer using that budget stabilization reserve. We would be back to full funding of ongoing revenues for ongoing expenses. So second is staff is signaling the intention that that budget, that balance would be refilled as quickly as it could be. And so right now, as we think back on this slide of the 10-point million. In the future, before that \$10.7 million could be applied to the CIP or other strategic priorities, you would first need to refill the budget stabilization reserve. Then third, this is

[00:46:15] just a plan, and the exercise of planning is as important as the plan itself. So as we would, if the board approves this plan, come back in the five-year plan, we'll come back every annual budget process and figure out how do we need to adapt this with additional new information. So with that, That actually concludes the revenue chapter, and I'll turn it back over to the Chair for further questions.

[00:46:37] Supervisor LaPisa Kerr? I did want to ask on page, slide 23, the microcat charge for services. I know that's, you'll be looking into that.

[00:46:56] But are we going to be comparing what other counties do, other places do regarding microcat? And do we have any idea how much we might be charging? Because we've gone two years without charging. It's been a big success. Do we have...

[00:47:12] I will ask Ryan Davidson, Deputy Chief of Budget, who's been the lead on this to, not this initiative, but transit in general. Ryan Davidson, Deputy Chief of Budget. Yes, we've been working with VIA, who is our micro-cat provider.

[00:47:27] and they have been doing benchmarking of the other localities across the United States that have a similar micro transit product. And so we're kind of benchmarking our initial fee structure off of that, trying to keep it as simple as possible. We'll go into some more detail on Wednesday.

[00:47:44] But we're really looking at kind of an initial \$2 charge with some potential discounts for certain things, such as multi riders and other potential concessions that we could make. We haven't fully, we're still doing research on this. We have the general structure in place, but we also wanted to be able to have a conversation with the board before we came out with a full structure of what that may look like.

[00:48:07] And so we'll have a little bit deeper dive in. We will have representatives from our micro cap vendor here and from Charlottesville Area Transit who runs the service for us here on Wednesday. And

when does our funding run out for that? Do we know? So we are currently now fully paying for this with the county's dollars.

[00:48:29] We have now used up all of the grant funds, so all microcat services are now being 100% funded by the county, which has now allowed us to have greater flexibility in these services. And one of the things we were not able to do while we were still drawing down grant funds was charged for the service.

[00:48:45] Because under our grant application, we had told them that this was going to be a fare-free service while we were still receiving those grant funds. And now that we're out of that, it's the first time we've ever had that possibility opened up to be able to even look at potential fares for microcat. And you may not know this, but does our ridership keep going up?

[00:49:03] We are seeing – we'll get into this a little bit more when we talk about the microcad. But we have hit a plateau. We see a lot of more demand, and there's that level of the demand we can meet versus how much unmet demand is there versus the calls because we only have so many vehicle hours that they can put on the road with this service before they're able to not be able to pick up a ride or be able to meet a ride request.

[00:49:28] Okay. And one other question. I understand state revenues, we're getting, we know some monies we'll be getting, but then we don't know the final bill until after we finish our budget. Is that correct? That is. And I mean, historically, based on what I know is a March 9th, we're not expecting a major change. It's always possible something could. That's also one of the reasons the board has reserves. It can also go the other way and we can find more money after the state's done.

[00:49:55] That's all. Thank you. supervisor missle thanks i just uh on the supervisor prude's favorite slide i have some questions on the red yellow and green just real quickly um one is the 10 unassigned fund balance how often is that modified have we increased or decreased percentages over the years or is that sort of a lot so that that policy has been the same i've been with the county almost 20 years and i can remember one point it was eight percent and it went to 10 but that was probably more than 15 years ago, but I can confirm that.

[00:50:27] All right, I'm giving the thumbs up from the budget team. Okay. I'm just curious how closely it's linked to increasing costs to be applied for whatever infrastructure improvements because of hurricane or whatever. Is that, I'm not suggesting we increase, is that something?

[00:50:47] Yeah, I think really depending on the incident, we would, there's, in any incident, there's the immediate emergency response, and then there's the continuity of operations that follows that. And given on the circumstance, whether it be from FEMA assistance, other recovery, you know, the time of year something would happen would matter based on when the county's collections would come in.

[00:51:07] And so we would probably have that as part of our assessment processes or kind of operations planning. And forgive me if you said this, is that, have you benchmarked other, like, is that typical for other counties to have something at that percentage? I think it was about two years ago we had our financial advisor prepare a summary that we can share that with the board.

[00:51:23] I would say within line of what was found, but we can share that again. Good to know. And then related to the yellow and the green, I just didn't follow what you said you would use. I think what I heard is to add back to the budget stabilization policy reserve.

[00:51:43] In future years, you might use some of the amount above policy reserves and I'll look at you to fund that. Correct, if it's there. So I guess a way to think about it is pretend we used the budget stabilization reserve last year. In the 27 recommended budget, we would need to reduce the one-time money from some source out there that it's funding.

[00:52:02] It's just order of operations, what the priorities would be. Got it. Advisor Duncan? Can you just explain what the school policy reserve fund is? Sure. So this was created sometime during the 2010s where the schools are not allowed themselves to carry a fund balance.

[00:52:24] So what the board said is that we will allow you to all carry a fund balance, and up to 2% of your budget can be retained in that amount. And if that amount is above 2%, it will be sent to the school's CIP unless the school's request otherwise.

[00:52:41] And what you'll see in the school's budget, I think it's a little under a million dollars right now in next year's budget. We'll take that and use that for furniture replacement in schools or the desk, cafeteria tables, that sorts of things. But they're really using that for one-time cost on a small basis.

[00:52:59] Is the 2%, is that something that the board said or the school board said? It's set by the Board of Supervisors. Is that allowed to change? It would be up to the Board of Supervisors. I should say the Board of Supervisors has full control. That's not dictated by state or federal. That's all I have.

[00:53:16] Supervisor Malik. Thank you very much. The red in the screen is what I, in my mind, call the Louisa earthquake. Because \$40 million electric level of case.

[00:53:34] Going forward, I'm sure that you all have gone through a lot of worry about chaos coming forward from state and federal. And so I guess I would seek some reassurance at some point that we're saving it up because of what's going to happen.

[00:53:55] And so there may be, I don't want the whole math the other day, but if there's a little math that you can share that will help us understand that we are well protected based on what we look at at the years. Wonderful. And reliving the 2010 to 2014 when the school reserve was established, during the recession they had \$9 million that was not shared.

[00:54:21] And we could have budgeted that for \$90 million in borrowing to build them. That's where that whole background came from. I'm sure I have any questions.

[00:54:38] I'll just say, I know staff has heard me say this. I think most of the board has heard me say this. I have a strong inclination to spend rather than save. I think if we're going to ask for the public's money to have something we're using, it's always urgent.

[00:54:57] So I've been a consistent opponent of the yellow, the budget stabilization reserve. Specifically, it's at 2% rather than 1%. But I'm really delighted to see us using it. This is, I think, the first time we've used it.

[00:55:14] I know this is coming up, right? And so I will just say that. I'm pleased to see it actually serving its intended, which is to be spent. And refill them with you. If I may add a comment to Supervisor Malik on some of that reassurance.

[00:55:30] Coming out of the pandemic, we realized we really did need to save more, and we did move from 1%. The board moved from 1% to 2% in 2022. It really kind of updated the guardrails around that yellow box to enable situations such as this budget.

[00:55:47] Supervisor Mitchell, you had another question? Yeah, I just had one bounce back. So the \$54.9 million is sitting somewhere in the end. And I assume that's invested? That's correct. We have a team who is managing our investments and our debt, and the Virginia Code has pretty stringent requirements on how that can be done.

[00:56:06] And the board in its financial policies really prioritizes, first, the security of that investment, the second, the liquidity of that, and then only third, after those first two are met, the rate of return that we would get. So really the way I would characterize it is we almost have a high-yield savings account that we're using right now in exploring other options like CDs, very relatively real risk things.

[00:56:29] And the return on that doesn't go back into adding to the investment-assigned fund balance. It goes towards funding other... Yeah, correct. We have interest revenue budgeted that is funding our current operations across multiple funds. Got it. And the last question, the school policy reserve, that also sits in the counties?

[00:56:47] Yeah, it appears in the general fund, but it's really just for reporting. It's never been taken out of that and used for any other purpose other than public schools or to the public school... Sorry, their operations at the request or the CIP. And, again, there's a process where if they were ever to use that, they request the board.

[00:57:04] The board appropriates that. If they're ever over, they have the option to request to keep it or send it to the CIP. To follow up on yellow, I have imprinted in my brain two finance directors ago, a constituent, 95 years old, some white home brother who lived.

[00:57:28] He called me to his kitchen after I was elected and gave me the riot act about never, ever, ever get in a situation again in Albemarle County where you have to borrow money to be paid because of the disaster part of mine and um i've got a couple i realized i didn't do my email set of questions so page 89 um and this can be followed up but under public service tax which is the real estate intangible personal property owned by

[00:58:08] railroads utilities etc it looks like i understand the explanation there but it seems to be on the tangible personal property side i'm looking for the reminder of how that real estate is assessed just just like we assess residential and commercial can be assessed differently does that make sense we can take that as a follow-up in terms of determining the value the property value like this is a peter lynch question they might say we do it like homes do we do it like commercial i don't i guess i've just never thought to ask that question before

[00:58:45] so it's more a curiosity than i'm not a 100 sure so we'll take that as a follow-up so i don't speak. Yeah, yeah, yeah. I wasn't expecting that one today. A lot of these are great for follow-up. 93, page 93, 94. So, and this just surfaced in Supervisor Missile's question, because there's your revenue for the use of money and property that you guys were just talking about, unless I'm thinking of a different category. My question here was, in follow-up, if I could see the breakout, the percentage, you know, what's the percentage of use of money, what's the percentage of property?

[00:59:20] just tell me more write a little more detail just to clarify for that category like between rent and interest and the other subsets yes okay yes thank you i think somewhere in a recent consent agenda item i remember seeing the use of money it might have been a financial report for year to date quarterly financial reports do include an investment report as part of that but we can give i think your question's a

little different in terms of what are the types of uses of interest property and the other revenues right that's just a breakout when i saw the numbers i was like oh I'm remembering like a ballpark \$3 million or \$4 million, but that might have been the added when we changed how we were investing some money.

[01:00:00] We started using an additional tool at some point that might just be work. So I'm just looking for more commentary on that. And then page 96, which is payment. And honestly, I've never really dug in to understand this more because the state revenues are just, there's not a whole lot.

[01:00:18] But that payment in lieu of taxes, When it says service charges incurred, and it's not, they're small amounts, and I don't want to get into the bigger, you know, political conversation of that that sometimes the city likes to get into with the university.

[01:00:40] But I am trying to understand when we say service charges incurred, I want a little more color commentary on that as well. I'm like, what are we talking about? There's a formula dictated by the state that we can provide that will map out what that looks like, both what it covers and caps and how it's arrived at.

[01:00:56] Yeah, that would be awesome. Then, Professor Mallick?

[01:01:23] Actually, there's on page 98, the county gets around \$54,000 in a payment in lieu of taxes from the federal government. That's for taxes and parts within the county. And so that is where that appears.

[01:01:39] But it is on the list as opposed to just the federal buildings. I don't, I'm not certain whether we receive pilot for that. I would need to follow up.

[01:01:55] Pilot standing short for payment in lieu of taxes. I said no supervisor, Ms. Old. As we get into some of these, sometimes your questions can generate off of other people's questions. So just give me the heads up if you have a follow-up. If everybody's wanting to follow up, then I'll just swing back through for organization.

[01:02:12] Go ahead. I just, thank you. I just have one quick question back. And I think I heard you say that the money that is, let's say it's \$55 million, that's invested, the income off that investment annually goes towards operating. I think I heard you say that. Yes, correct.

[01:02:30] Did I also hear you say that that income is actually limited in terms of what it can be used for? No. It would be, we would allocate the income from where it's sourced to whatever balance in the CIP would get its interest. We are fiscal agents, and so we're investing money for the ECC. So that, their balance receives interest just like counties would, and so there's no restriction

[01:02:55] on that okay and has any of the assets ever been considered i would say what we've seen not in terms of i'll say an endowment but knowing that interest can be volatile and especially where we've been in recent years yeah we have really taken an approach to treat sometimes interest as one-time income and so a good example is in this year where i didn't discuss some revenues but right now in fiscal year 26 based on the stronger than reassessment the stronger personal property

[01:03:34] values. And because the Federal Reserve has decreased its rates later than was anticipated in the budget, we are having more interest in income. And so staff is recommending taking those one-time monies and putting that right into the CIP to help fund one-time costs there. I'm not allowed to bond and take our bond proceeds and invest them and get higher back when the balances were different and you had 2% money. I remember there was a prohibition about that.

[01:04:07] Yeah, there's a term called arbitrage, which is basically you can't borrow to make money. So there's lots of rules and restrictions, and actually there's some exemptions where you can use that. And so that really comes to compliance that we have as part of, again, what our investments team does to make sure that we are not – we're following IRS guidelines.

[01:04:25] I'll say that's what they're doing. With that, I will turn things over to Chief of Budget, Caitlin Malcolm. Yes. So I'm going to walk you through the expenditures that are in the general fund for the recommended budget this year.

[01:04:50] For the rest of today's work session and our work session on Wednesday, we'll be covering the chapters that are in the expenditure section of the budget. And of course, those are balanced to the revenues that Andy just covered in the previous chapter. So as you can see on this donut chart, the largest expenditure in our general fund is the transfer to the school's operating budget.

[01:05:09] The next largest after that is for public safety and followed by the transfer to the capital and debt program. We're going to go chapter by chapter through the recommended budget document. Tonight, I'm first going to start with an overview of compensation very quickly and then hand things over to our director of human resources, Jessica Rice to talk you through the details behind that more and then we'll take a break if the board desires after the break we're going to come back and cover the public safety chapter and the judicial chapter and you'll hear from the chiefs as Andy indicated earlier about what's going on in public safety as well as our chief operating officer who's going to give you an update on the public

[01:05:46] safety staffing studies so first kind of going back to what Andy said previously we use the strategic plan as a guide when working on and recommending the budget to the board for consideration. As you know, there are many more things and priorities in the strategic plan than we have money for. And so the goal here is really to balance among the different priorities and make progress in all six goal areas in any given budget year. You'll see in the middle of the workforce and customer service goal is in the middle. And we're going to cover that first tonight with an overview of the recommendations for compensation that are in the budget. It's really important that we support our workforce over time and the board has been very

[01:06:25] supportive of that effort in recent years and so that's why we're starting off there tonight since it affects many of the chapters in the budget and then we'll take a deeper dive as the work sessions continue. So in the budget, in the recommended budget, we have \$2.9 million that's going to provide a market-based compensation adjustment for classified staff. Ms. Rice is going to go into more details about that so I won't get too in the weeds there.

[01:06:57] But essentially, every two years, we review certain positions within the classified staff of the county, that that plus the cost of living increase that we're suggesting in the recommended budget of 2% plus a one-time bonus are the dollar amounts that make up that \$2.9 million, and that's for classified staff only.

[01:07:15] We'll also get into more details tonight about the recommendations for our public safety staff. Within this recommended budget, we also have a total training budget of \$1.4 million. That's flat from FY 26 and that supports all training and development efforts helps with employee retention and recruitment. And again, we're maintaining what we're doing in FY 26 in that proposal. And then finally there's an

increase of 8% to the employee self-funded health care fund I believe Mr. Galloway asked in a prior session. How much does that 8% amount to it amounts to a change of two point one

[01:07:53] Million dollars for the health care fund in this budget That's included in the recommendation and then finally something that's not on the slide But is worth mentioning the Virginia retirement system rate is updated by the state every other year We just received a rate update and the rate actually decreased by one point three three percentage points Which got us the savings of one million dollars and that's incorporated into this budget as well So now I'll turn things over to miss rice to walk you through the compensation recommendations And then when Ms. Rice is done, we'll pause if you have any questions for me or for her.

[01:08:27] Great. Thank you, Caitlin. Jessica Rice, the Director of Human Resources. I wanted to start tonight with sort of a review of the board's adopted pay philosophy. So there are three of you on the board right now that were not here in 2022 when we actually went through a comp and class study and adopted our current pay philosophy.

[01:08:53] So in 2022, we hired a consultant to come in and do a full review of our pay practices, where we sat in the market, our pay scales, were we competitive, were we not?

[01:09:09] And the results of that actually ended up being a recommendation of two different things. The first one was restructuring our pay scales themselves. We were way off base with the market, and as a result, we had a vacancy rate of almost 20% at that time.

[01:09:29] It was very, very significant. The second recommendation from that consultant was to adopt a market that we compare ourselves to, and we're looking at how they're paying, and you can see them up on the screen.

[01:09:45] There are 23 different, I want to call them agencies, because what you'll see is our public school system is up there, as is the University of Virginia. And this grouping of localities were selected and recommended because of a few different factors.

[01:10:05] First, their proximity to us. Secondly, it's about the services they provide and their size and cost of living and all of that stuff was factored in there. And so ever since 2022, everything that we have done related to compensation was through the lens of looking at where do we sit with this group here.

[01:10:32] So back then, the board took an action to approve this market. And then the second item that the board took an action to approve was where do we want to be in relation to the agencies on here?

[01:10:49] Do we want to pay a lot more than them? Do we want to pay average of them? Do you want to be just a little bit under? And so what the board approved was that we would be the average, like market average for these localities.

[01:11:06] And the reason for that, there was two reasons. The first one was that it was just offset against some of those other folks on there that maybe have a higher cost of living. Northern Virginia is pretty heavy on that list.

[01:11:22] And then also we had affordability considerations as well. On the bottom of the slide, you can see some data. And this is from FY23, 24, and 25. And this is the impact or the results of adopting that philosophy over the past three years.

[01:11:43] Like I said, we started with a vacancy rate of about 20% at the end of FY22. And then by the end of FY23, our vacancy rate was down to 8.1%. the goal is to be between eight actually the goal on the vacancy rate is to be between three and five percent and then the turnover rate goal is to be between eight and twelve percent and so as you can see over the course of the three years there and we've made significant progress in where we are in retaining

[01:12:22] our staff and actually being able to recruit for key positions that are required in the county. Go ahead, Caitlin. Okay. These numbers on the screen are actually what is proposed in your budget. I believe this is one of the budget documents in the book. And so what I wanted to ground everyone in, so for the board, for our folks in the room, and for the public that are listening, is that we actually have two different pay plans. We have a classified pay

[01:13:01] plan and we also have a public safety pay plan. It is really important to recognize that they are different, they're structured different, they are maintained different, they are benchmarked a little bit differently and overall they're treated differently for various reasons and I'll walk through what that is here in a second. The classified pay plan essentially is a scale and that consists of pay grades with the minimum and a maximum in them and then our staff are placed on

[01:13:34] that scale based on what current market data says. As Caitlin alluded to earlier, we've maintained benchmarking with this market-based philosophy so that at least half of our positions are benchmarked every year. And so what's recommended in the budget, the first bullet on there is the \$8.6 million and that is for that market benchmarking that we do every year. So this was year two This is the second year of the actual benchmarking

[01:14:09] we completed the first half last year and we adjusted pay for those folks that needed it last year after the benchmarking and this year This is the second half of the group that was benchmarked And so we went in and put in that recommended movement on that classified pay plan.

[01:14:32] The second bullet under classified reflects a cost of living adjustment. And so what happens with the cost of living adjustment is that the entire scale moves and it is based on the economy and the economics and the competition in our area.

[01:14:52] So it's not individual positions, it's the whole scale moving based on exactly what it sounds like, the cost of living. And then the third bullet on the classified pay plan is for a bonus, for a one-time bonus.

[01:15:07] So it would be a one-time payment, not ongoing costs. And this is in response to the state has it in their recommended budget right now. The same thing, it's a one-time bonus, and as a result, almost all of the other localities on our competitive market have proposed the same thing in their budget proposal, and so this is in response to that.

[01:15:35] Now to switch over to public safety, again, this is a different pay plan. It's completely separate from the classified pay plan. In public safety, we have three different scales that we're maintaining.

[01:15:51] We have three different agencies that fall under the umbrella of the county, and that is our fire rescue department, our police department, and our sheriff's office. And so on the first bullet up there you can see that is the Recommended budget amount to move the police department pay scale as a result of Benchmarking that we do for public safety every year It is a little bit different because they have a step scale and very similar to what teachers see and other paramilitary

[01:16:29] organizations see and so these numbers reflect a Moving the entire scale rather than just moving one position What that equates to is an 11% increase in the pay scale. I think that was a question that came out before And that again, that's a result of our benchmarking that we have completed Over the during the fall for fire rescue that second bullet is 1 million dollars in there And that is to move the fire rescue pay scale

[01:17:04] To be comparable to market and that is a 5% increase for them. They have different operations, they are different departments, different functions, and honestly their markets are different and they're calling for different actions right now. And then finally the third bullet on the slide, the 0.7 million, that is for a programmed 2% step increase by virtue of them being on a public safety pay scale.

[01:17:35] it is a step scale in which when personnel are qualified they move one step up in the scale it reflects a full 12 months of gained skill and experience and also based on proper performance as well that 0.7 million includes for the step movement for fire rescue for ACPD and the Sheriff's Office and Kaylin Okay

[01:18:09] So this is just to kind of let you know what we're seeing in the market right now So for FY 26 that we're in to finish out the fiscal year and what we can expect in FY 27 I will say our current data in that box on the right hand side our vacancy rate Which is as of March 6th this past Friday is 0.9% and our turnover rate is 8% And so what you can see in that box if you were to compare it to the FY25

[01:18:46] closeout numbers is that our vacancy rate has increased and our turnover rate has decreased and you're probably wondering How does this happen, right? Well, we did have some public safety new positions at the beginning of the fiscal year That y'all granted for the county we have not been able to fill those yet we are we are having some challenges in In particular in police in police in being able to recruit our police officers and some of that is resulting from the

[01:19:24] Competitive market we do have a handful of folks that have collective bargaining right now Which is playing a factor and I believe our police chief may be addressing this a little a little bit I don't want to steal his thunder So that's partly why we're seeing less turnover, but our vacancy rate is a little bit higher and one of the things that you'll see in the market itself is Classified pay plan like our positions are starting to stabilize. We're not seeing these wild Salary swings that we were seeing for the past three years

[01:19:59] And the proposed budgets that have been put forward from our competitive market all include between two to four percent of a cost of living adjustment. And as I stated earlier, they also are including a one-time bonus to reflect sort of what the state has put forward already.

[01:20:19] On the public safety side, fire rescue is thankfully a lot less volatile than it has been in previous years. I know that we've been really successful in our recruiting efforts, and the key to that is to ensure that we remain competitive with all of those localities.

[01:20:39] And then on the law enforcement side, it is becoming more volatile. And this is where we're putting a lot of intentional effort and focus because we are having some difficulty recruiting and their pay is still fluctuating.

[01:20:56] There's the impact coming from collective bargaining. And also, we have sort of a new competitor around us that we did not have before, and that's the federal agencies. We've lost a couple there. We are still losing a couple to the state, and we're doing our due diligence to hedge that off as best that we can.

[01:21:21] I think that is my last slide, so I will take any questions that you all have. Supervisor, okay, so one is I'm just curious does the staff training and development that 1.4 million dollar Allocation is that totally utilized on a given year? Is there a greater need than 1.4 million?

[01:21:53] I would need to go back in total compensation. So other than percentage increases Are there other retention strategies that you're utilizing that help with retention?

[01:22:22] Yeah, so one of the things that's partly why they have that number up there for training That is one of the things that we consistently get feedback on as people want to feel That they're being invested in that we're training them that they have a career here and can stay here We are also revamping or reward and recognition program as we speak There's been some work done on it this year and we're going to continue to do that and hopefully bring that forward To you all after the beginning of the fiscal year Being mindful of course of cost as well doing that

[01:23:01] But there are some efforts in place to try to work to retain the folks that we do have here

[01:23:30] No, no vacancy rate is actually the The number of employees the number of vacancies that you have And it's divided by the board's approved number of FTEs and so we track that with the assistance of our budget team

[01:24:00] We don't While it is a factor. We're mostly looking at what other localities are doing and really comparing ourselves to where they sit because Even though the cost of living may have gone up 2.8% Our staff may have actually gotten some of that earlier on during the comp and class Increases and we're being responsive to what our you know, the city is doing and UVA is

[01:24:34] doing and and the state is doing overall I just had a question this is probably super basic um but could you explain what classified employees are how many do we have how many like non classified employees and did they also get any sort of raise yeah that's a great question so classified employees are there any permanent employee that is not in the public safety pay plan they are they are

[01:25:10] benchmarked and they're slotted into our pay scales. They fall under our county policies. So that's what a classified tech means. And then what was the other question? Like how many classified, how many non-classified and then did the non-classified employees also get any kind of cost of living raised? I can answer part of that and the other one we're gonna have to get back to you. So So our total classified employees are about 850-something.

[01:25:41] Non-classified, those would be your temps and seasonal workers and interns and things like that. Ideally, we try to include them in cost of living adjustments, but it's policy-driven. And so I would need to get back to you in order to share with you what the history has been for them.

[01:26:02] Can I add something? I would just add a little bit on the public safety pay scales, they are sworn officers and firefighters. And so that is driven by state code as well about what falls under law enforcement and then everyone else.

[01:26:21] So there are police department employees that may be on our classified scale, as an example.

[01:26:45] when applicants come in with extra skills, multilingual, or something like that, that affects where they enter the pay scale, and we're able to give them due credit right at the very beginning. Okay. Second, for turnover, does turnover include retirements, or is it just people who leave or something?

[01:27:09] Yep. So turnover includes everything. It would include retirement, if we have an employee that passes away, resignations, terminations. It includes everything. And so there was, I think, between FY24 and FY25, there was a little bit of a spike. And that was a year where we happened to have more retirements. That's a great question. You're welcome.

[01:27:43] Are there unimplemented? No, there aren't.

[01:28:00] The board implemented the first part of it the year that we got the results. I believe that was in 23 May of 2023. And then the board approved to implement the rest of it that same calendar year right in December as it was turning 2024.

[01:28:23] And again, it was really to help us be able to fill the vacancies that we had at the time You know, I shared the 20% Vacancy rate and I think to kind of put that more in context, you know, we're a staff of 850 or whatever that is we had about a hundred and thirty vacancies a lot of them being public safety as well So it made a big difference and you can see the trend in the data of the impact that that made.

[01:28:56] From the new public safety study that we just last year, are there un- I don't believe so. Because that's the juicy thing we're implementing. Yeah.

[01:29:12] I know what the comp study is. Oh, so the comp in class study, that was a couple years ago, and that was fully implemented within a year to a year and a half.

[01:29:34] And I think Christy's going to go over the public safety staffing studies in a little bit. I do not believe any of the recommendations talk about compensation. It's really about workload and resourcing there. This is very basic, and I realize it makes sense, but I just want to make sure I'm stating something that is correct because I haven't thought about it until it's very common.

[01:30:02] We fully control through our HR and our pay scales, all constitutional, as in we are the people who decides what a sheriff's deputy makes, a prosecutor makes.

[01:30:19] Yeah, so we do if they have an agreement with the county to provide that service. So for their staff, I believe all of them have an agreement with us where they fall under our pay scales, the staff, and then the constitutional office themselves, the elected officials, they have a different pay plan that they follow.

[01:30:48] I think in my mind I might, I realize I haven't thought about it, but I might have analogized slightly to how we work. We might say, oh, yeah, you get eight deputies, and that's how much that costs, but at the end of the day, they're the ones who are executing it.

[01:31:05] Yeah, so for the public schools, we do not do any compensation work for them. I do think it's just worth kind of putting a pin in, certainly something I talk about in a lot of public messaging.

[01:31:22] The federal impact has come up twice now for us, how it has affected our vacancy rates due to immigration enforcement sniping our qualified personnel and how it's affected the administration of certain programs and services, namely SNAP, and then we have a whole new FTP, the whole job is administering, maybe a partial FTP, whose whole job is administering new compliance regulations that make it more nervous with this.

[01:31:54] And we are a very wealthy place that is also deeply desirable for people to live here. How the Morrill County is facing these kinds of obstacles. If we are struggling to police talent and afford retaining police talent, we are having to add new personnel to public services.

[01:32:21] I worry about thinking what our other regional peers who don't have, how they are struggling with counter-staffs of a fire.

[01:32:37] And kind of one of the first out of the gate for the commission study.

[01:33:15] Other counties have since followed suit, as have a lot of our time to ask. Those agencies have now done their fine because we share those expenses.

[01:33:45] But that's been an increase for us, too. I don't know if there's a way that that number or so is probably a high five. It's good to understand in our own budget.

[01:34:13] We share our predictions.

[01:34:45] This 2% one-time bonus, is this purely covered by the state? Or do we get into some shenanigans like it does when the General Assembly and their intimate wisdom will give public educators an increase because they're so generous, but they don't cover all the people that are actually hired in public education?

[01:35:05] So this is proposed in the state budget, and what it is is that it's any position that is funded by the state. So what happens is our partner agencies and the schools and any of the state agencies will be receiving this 2% increase.

[01:35:27] And then if the county wants to participate, the state would contribute 2% for the positions that they support us in in their payment.

[01:35:44] And then the county would be responsible for sort of making a department whole. I'm going to give you an example. It's a narrow shenanigans. Yes and no, right? I'll give you an example. So our state may fund 75% of one of our offices here, and they would give the 2% of the pay increase to the county to cover the increase for the 75%, and then the county would be on the hook

[01:36:19] to either come up with the money to give the other 25% to pay increase or only give it to the 75%, which creates its own problems. I'm sure you can imagine. So the intent behind it, though, was really to be because a lot of our competitive market it are following what the state is doing for some of that reason exactly is to mirror it and take away the ambiguity, the inequity, and all of the other things that go on with it.

[01:36:56] The nice thing about it is that it's a one-time and it's not an ongoing expense where we would own it forever going forward in their base salary. A question back on the workforce stabilization personnel budget slide, which is, I'm curious, the 1.1 million, how is that disbursed?

[01:37:29] Which slide is that, I'm sorry? Oh, yeah. So that is everyone that is in our classified pay plan. So it's not public safety, but it is everyone in our classified pay plan.

[01:37:49] And what's happening there, too, is that bonus would be there for the classified pay plan. then the step increase down below is for the public safety folks so they sort of mirror each other. Yeah so cost of living is actually just in response to inflation and how expensive it is to live in the area.

[01:38:23] I believe the answer is all staff. Oh, okay. Got it. It's not mayor. No, it's not mayor. It's not mayor. Okay, thank you. It's all staff, and there's usually some criteria about time of service within a year, but it's mostly all staff.

[01:38:38] Great. Thank you. Supervisor, please go ahead. Yes, I just wanted to mention, actually it was mentioned by Supervisor Duncan, I think we should be very proud of the fact that our police officers are not all rushing to join ICE That they feel they're comfortable here very well respected here and in spite of the fact that they have a \$50,000 bonus for ice So I'm very proud of the fact that we do Job of our police office. This is a great deal for all of us

[01:39:20] So this would be the best time to take our break if the board would like one Just a reminder, be mindful.

[01:39:51] Thank you. We're back. And Andy? Am I going back? Caitlin. I'm sorry, Caitlin. No worries. Thank you. So we're going to start going through the chapters in the expenditure section of the book tonight. The first one that we're going to cover is public safety.

[01:40:06] So I want to take a minute and explain the two donut charts that you see here for the benefit of the board and the public because we're going to use these donut charts in the same approach for all the chapters in the budget so on the left what you're seeing is a gray and blue chart that shows the entire expenditures in the general fund and you see a blue carve out for public safety which represents 17% of that general fund expenditure budget and then on the right and the multicolored donut chart you see what's contained within that 17% of the general fund for public safety and so as you see on this slide 41% of that donut is

[01:40:43] represented by the police department 42% is represented by fire rescue and the remaining remaining percentage 17% is our partner agencies within the public safety chapter of the budget so you may remember when mr. Richardson gave his presentation to you a few weeks ago there was a really busy slide with a lot of different partner agencies named some of those partner agencies were our public safety partner agencies they represent about 17% of the public safety budget overall. Tonight you're going to have three different, four different speakers, four different speakers in this section of the agenda. So I'm going to walk you through at a high level

[01:41:23] the overview for the departments and the public safety partner agencies. And then intersperse with that, we're going to hear from our chief operating officer, Ms. Christy Shiflett. She's going to update you on the public safety staffing studies implementation. And then you'll have an opportunity to hear from both the chief of police and the chief of fire rescue about some of the data that are driving the recommendations in this budget for their departments so first i'm going to hand things over to miss shiflett and she's going to update you on the public safety staffing studies good evening so i wanted to connect us real quickly back to the compensation discussion that

[01:41:59] we just had and follow up with kind of a comment about this the board of supervisors approved the implementation of that comp and class study over nine months and so that did cross over two different fiscal years but what I'm going to go into in a minute about studies is really not about compensation because we had just done tremendous work on that and so the study reviewed industry standards and best practices and made recommendations for infrastructure deployment and staffing

[01:42:34] that will address the changing risk profile of the county as it continues to grow and change year to year. The company that we hired to do the study was named Emergency Services Consulting International, and we like to call them ESCI. So if you hear that referred to today, that is what we're speaking of. We actually had two separate studies that the board heard about in October of 2025 they focused primarily on fire and police but they had two separate teams with separate

[01:43:09] different groups of expertise that met with our police and fire departments and so we brought the study recommendations to the board in the fall of 2025 and we this also gave a lot of expertise to benchmarking. I can't today even name all of the benchmarking within the study because I think it covered about two to three pages in each of the studies. But we looked at a lot of federal and state benchmarking as well as different localities in our area and definitely localities

[01:43:45] that provide the same level of service as Alchemar County needs to do. And so they compared us to those jurisdictions in Virginia. The consultants perform data analysis by using data from our emergency communication center and the different data points from our departments as well and all of the information that they track. The Board of Supervisors and the public received these studies in October of 2025. We reviewed the recommendations with you and we asked the board at the time to give us a minute to digest and review those studies. They're very expansive and long and also

[01:44:23] to create an implementation plan. So today that's what I want to start sharing with you all is what we have done since those studies have been put in place. So we're going to highlight really the work that's been done to date and what has been prioritized for FY27. I've gathered the prioritized tiers here today that are listed across the board there on the slide and I want to talk to you about while the police and fire department had a little bit of variance on the tiers we are focusing on

[01:44:57] these top four especially in the current state that we're in in FY 26 and 27. So tier one as you can see the highest priority for both departments is to add and maintain staffing to respond to the growing demands. The FY27 budget includes small investments and additional staffing for the police department with three new officers and Fire Rescue is requesting a plan to pursue an additional FEMA funding for six firefighters. The priority on compensation that you've already seen today

[01:45:31] is to focus us on retention given our financial outlook. We'll take time to fill the study's recommendation it has 39 police officers and 35 for fire rescue to over this period of time that in the studies so that is substantial and we recognize that and that is why we instead decided to focus in on let's look at our compensation let's make sure that we're staying competitive and let's maintain the officers and the firefighters that we have and so for that

[01:46:08] core stability tier we can't really talk about adding 20 to 30 more police and fire until we are able to fill the vacancies that we have and both of our chiefs of the departments are going to speak to this in a minute and then um and then so you'll see we have small increases in staffing and then we had the market adjustments that we've already talked about today for tier two we are focusing on leadership depth and so both departments talked about coverage in the supervision and leadership components of their departments.

[01:46:44] Police has created coverage already for one shift since the study came out, and we'll be able to do so in the future with all shifts as we have additional staffing. We're also moving the Office of Emergency Management out of fire rescue as an independent office to support both fire, police, and the community.

[01:47:03] And so those are things from the study that we're able to implement quickly. In Tier 3, we have a required focus work effort on how administration within the departments of fire and police and within other functions in local government work together.

[01:47:19] And so the studies, as you'll read them, talk about internal support. And so we want those that are sworn, as we spoke about earlier, focusing on the services that sworn police and fire need to do. And

so we've been reviewing how we have dedicated resources on administration.

[01:47:39] So what we've already put into place is a dedicated HR manager, and this is someone that lives within our HR department, but she only serves fire and police at this time. And she is learning really the intricacies of their functions and making sure that they're getting the support that they need.

[01:47:59] We have also hired an outside consultant to look at this workload analysis. It takes a lot of effort to dig into the details and do some process improvement work. And so we have done that by looking at specifically our HR, our IT, and our finance functions that serve the police and fire department.

[01:48:22] And so we're looking there at is there the right balance of what's within the department versus what's in the other internal services groups. Is there ways that we can improve efficiencies? And is there a way that we can shift work around in order to support them differently?

[01:48:43] So again, this is within that lens of what can we control without adding anything else? And so that's the work that performance and strategic planning often focuses on, is how can we be our best selves before we talk about new resources? And so that's the work that we've done here today.

[01:49:01] And then additionally, we've looked at, with both of the chiefs, a real commitment to understanding our sworn versus civilian staffing in those departments and making sure that we're being efficient with those decisions as well. And so we want to make sure, as you already know, sworn positions require a lot of certifications, a lot of special training, and so we want to be thoughtful about who's doing what type of work.

[01:49:29] And so that's the work that we've done as well. And we have identified opportunities to target and remove some inefficiencies. We've learned about ourselves a little bit. We want to also make sure that we're being compliant and that we're moving risk and also removing increased stress for the staff.

[01:49:48] So we'll complete these improvements by the end of this fiscal year in June. And then the last tier that we have there, it calls out that many of the recommendations take time and long-range planning. So the intent from the consultants was not anything that would be done overnight.

[01:50:06] It is going to take us a significant commitment to move some of these things forward in both departments as our community grows and changes. But in our five-year planning process in November, staff built the cost of those additional personnel that I mentioned, the 39 and the 35, into our five-year plan.

[01:50:28] And so for this board to understand, those positions are baked in, but they are phased in as an increase in staffing levels to address these operational needs. The additional positions are one of the factors driving that gap, that 3% gap that you'll see in years 3, 4, and 5 of the five-year plan.

[01:50:52] So that is really all that I wanted to share about the ESCI study. It is something that will be our roadmap for many years as we work with the different departments. But they're going to add a lot more complexity to this in their sections for today.

[01:51:10] I'll pause now for any questions that the board may have. Supervisor Lisa Curley? No, thank you. Supervisor Duncan? No. Malik? For ACFR, does the cost in the pie chart include apparatus, or is it the only personal operations?

[01:51:30] That would, that approach needs to happen. Supervisor Pruitt, where tiers is roughly equated? No. No, I think the core stability is that those positions over a long range, I think it was seven years in our

study, and then the leadership and training is, I think, like the leadership I spoke of is something we could do pretty quickly, and we can probably do it next year with additional staff.

[01:52:07] But some of the training components to be able to do different things like multiple recruit schools, for example, is going to take a real intentionality and commitment that it's probably going to be in three to four years. And then I'll also add that the internal support is one of the ones that we picked up quickly because, like I said, this is something we can control.

[01:52:29] And so we took that one and moved that one up as an example. What do you said when you said gap and staffing and about years? Yes. So when the study came out and it had the 39 and 35 positions, which is, you know, significant change, what I was saying was that our budget team took those positions and built them into the five-year plan so that we could prepare, just like we do CIP, we put them in the out years so that we have time to facilitate that.

[01:53:08] And so the additional positions are one of the factors driving the 3% gap that you'll see in years 3, 4, and 5 of the five-year plan. I'm not sure you can answer this now.

[01:53:26] I'm not sure if I should. I'm going to pose it here. It may come up later. We're adding three positions. In the staffing study, we understand what the current level of services that we're trying to meet or what we're dealing with, what the reality is. each position should do something to that reality and that's what i'm curious about because as we move forward over because it's not i think we all recognize we're not going to fix this in one budget or two but this is going to be a long-term budget piece i get that but when we

[01:54:05] dedicate tax rates specifically for it and then we do something about it last year we added positions this year we're adding another part of that story has to be okay we've added these positions that should equate, I mean, it's so damn complex because, I mean, the calls, what you're dealing with, so your calls of service might not change just because you've had to not get that.

[01:54:30] But in theory, the theoretical is if all things remained equal, one position should be able to hit that metric. And I'm curious what that is or if we even know that or if he's done that. What I will share is 100%, and our intention is that we are tracking that as a county.

[01:54:49] For all of our studies, you know, that we have done where they suggest things and then we say, what do we do with that? I think if we give our chiefs the opportunity to share what they want to share today, you're going to have some of those questions answered about the return on investment and also their plan specifically for those positions.

[01:55:07] Okay. That's all right. Thank you, Ms. Shifflett. So I'm going to give a high-level overview of the new resources for the police department, and then I'm going to turn things over to Colonel Reeves to give you an update on operations and, again, that data that are kind of driving the recommendations in the budget. And then we'll pause for questions for me or Colonel Reeves, and then we'll move to fire rescue. So as you know from the recommended budget, we have three new police officers recommended. We are going to continue to implement the recommendations in the public safety staffing study that Ms. Shiflett spoke to, and then we are

[01:55:41] also increasing their pay to the recommendations that Ms. Rice spoke to earlier. A few things that are not on the slide that I want to call to your attention, and they're mentioned in the budget book. There are a few other minor things driving an increase in police department's budget this year. One is an increase for the costs associated with health and medical for required physicals for staff as well as

increased costs for mental health services for the police department. In FY27 there's also a planned replacement of two canine units for police and so this budget includes the costs associated with that and the related supplies and they also have a small increase in their operating budget for things such as

[01:56:18] bulletproof vests and tasers. So now I'll turn it over to Colonel Reeves to give you an overview of the operations. Thank you. Next slide, please. Yes. So before I begin, I want to take this opportunity to thank Mr. Richardson and his staff at the County Executive's Office, as well as the team in finance, HR, Christy, and Jacob, who are here today, for really leaning in on this challenge that our police department, your police department, is facing right now. So what this first slide shows you is the current state of the police department as of today that first

[01:56:55] number is the total authorized positions by the board of supervisors you have 171 sworn positions that does not factor in the the civilian support staff this is purely for sworn officers and detectives who deploy out in the street out of that 171 we currently have 149 of those positions filled out of those 149 positions 11 of those are either in police training Academy field training or on light-duty capacity so after you filter out those middle two numbers right now we have 138 officers that are deployable 24/7

[01:57:35] across three shifts so that is the current state chair Galloway earlier on asked about he referenced the the ESCI report and when it was authored I would like to remind the board that the study was done last February so the data that they use as miss Shifflett alluded to also is actually a year old we were a different department back then we have a new deputy chief of police in place we also have additional bodies in place but unlike last year moving into July 1 we

[01:58:10] were fully staffed and then after July 1 we started seeing some retirements we did lose a handful of officers to the federal government and we've seen officers going back to the retirement this is a national trend of law enforcement professionals retiring at the earliest available opportunity and typically that's at the age of 50 with 20 25 years in and there's a variety of reasons for that there's different National Institute of Justice as well as the Police Office Association International Chiefs of Police there's data out there about the complexities with our profession and why more and

[01:58:50] more people are not applying for to be police officers anymore quite frankly and we are not exempt from that as your police department we are seeing lower turnout turnout for recruitment days we are seeing a shallow applicant pool and quite frankly we're seeing people that should not be police officers applying for police officers we just had a test the other weekend where somebody had a felony sex conviction on their record that apply for for law enforcement we had another applicant admit to doing acid the night before he came out for

[01:59:25] for testing yes so so that is the caliber of talent that's out there unlike other jurisdictions one of the other challenges that our police department faces is in our selection and background process we are a risk adverse police department meaning we go above and beyond the minimal standard that the Department of Criminal Justice Services had for for background investigations we do polygraph examinations which eliminates a lot of people to include certified officers that we would have missed and hired from other agencies for committing crimes had we not have that polygraph examination

[02:00:03] we have physical fitness standards we have an oral interview panel things like that that separate us. So yes, it does extend the hiring process, but it's also ensuring we're getting a higher caliber of officer coming through that door. And in order for us to be competitive, and this is where HR's team has

come in to look to see if we are being competitive against other agencies. And right now, we are not competitive in our starting salary. So all things equal. It's harder for people to get in the door. We have higher standards to get our police department.

[02:00:35] But what this budget proposal does is help close that gap to make us more competitive in the marketplace. So that is where we're at with our current staffing level. And go on the next slide, please. So, Chair Galloway, again, to your point is what are you getting for these resources?

[02:00:52] I remain fortunate and ever so grateful for the outstanding work that the men and women of the Almar County Police Department do for this community. Even with our vacancies, last year they did a tremendous job of being proactive while they're out on the street and solving crimes, working with the Commonwealth's attorneys, prosecute crimes, and really taking a data-driven approach towards selective enforcement.

[02:01:17] So throwing a broad net out there, we're being laser-focused with data on where crimes are occurring, how we're deploying our resources, the limited number of resources we've had to make the most impact in our community. So, what you're seeing is last year we had almost 93,000 calls for service, which is a dramatic increase from the year before.

[02:01:39] That's a 23% increase. And overall, in one of Mr. Richardson's previous presentations, he referenced the 19% increase over the past three years. So, what you're seeing is these calls for service continue to climb over the year to year, over the three years. And that's where the ESCI report comes into play, that as the population increases, as businesses increase, as we bring more people into our jurisdiction, the calls for both PD and Fire Rescue and other resources, quite frankly, through the county, are going to continue to increase.

[02:02:10] So it's going to put a strain on our resources. But again, I am so proud of the work that our officers are doing. Those Part 1 crimes that are down for a second straight year is tremendous. Gun violence, ever since I was sworn in chief of police four years ago, gun violence and gang violence has been the number one topic when I go out to community meetings in our community.

[02:02:30] At 2023 to 2024, we saw a 9% decrease. This past year, we saw a 30% decrease in gun violence because our officers are putting in the work. They're getting guns off the street. They're getting drugs off the street. And they're putting those responsible for the most violent crimes in our community away.

[02:02:49] So, again, this is the great work that our people are doing with the limited resources that we have. Next slide, please. Previously, I spoke about response times. If those of you that were on the board last year recall that we used this as a measurement of how quickly our officers can respond to those Priority One calls.

[02:03:13] Priority One calls are those types of calls for service that have injury, bodily harm, and those life or death situations. range from a motor vehicle crash with entrapment or injury to a domestic physical assault stabbing homicide those types of calls are your priority one calls for service in Albemarle County what you're seeing is within the urban ring or that center of the county that's what typically draws in the majority of our calls for service it pulls resources in from the the rural areas of the county something that we've touched on before but did not go into depth today

[02:03:48] is as a county how are we breaking up our geography in our response we've talked about urban but potentially looking at urban suburban rural and remote jurisdictions for not just public safety but all

across the county so that work has yet to be done but that's something that we're actually going to look at and that's going to change some of the response times in the rural parts of the county because as you see in the rural parts of the county even though we want to hit a 10-minute response time meaning one officer but somebody picks up the phone says my house is getting broken into and it's two o'clock in the morning that that midnight officer can run lights and sirens safely all the way

[02:04:25] up to Whitehall in the middle of the night in under 10 minutes from wherever they are in the county and get there safely and and I see supervisor Malik's reaction yes but but but again that is the reality so when you start talking about these resources in the ESCI report is putting them in individual beats within these sectors of the county to enhance those response times and increase that service in throughout the entire county so that way our west side officer isn't in up on the north side by fashion square mall and a priority one call comes in because most your typical violent calls for service or priority one calls require at a minimum two officers to respond and not just one

[02:05:05] next slide please and this is my last slide what is it the Almar County Police Department focusing on this year this year priority one is our recruitment and retention we have to have people we have to have men and women out on the providing public safety public service we cannot continue to operate you know at diminished capacity we have to do something different so we're assessing the way that we're recruiting and we're looking at ways again thanks to mr.

[02:05:33] Richardson and his team and the HR looking ways how we're retaining employees employee health and wellness that is a subject that's near dear to my heart over the past four years we made tremendous investment and not just employee physical health by contracting out with Akilah to work with our officers. It's a third-party company that's a fitness instructor and dietician to work with our officers as well as the new clinics that have opened up to give our officers those resources.

[02:05:59] We have two police psychiatrists on hand, completely anonymous, no charge to staff, combined with the work of the clinic too. Yes, we have seen increases in usage, but that's a good thing. That means the officers and staff are using these resources and it's all confidential and they feel safe that they have somebody to talk to and then finally that training and emergency preparedness that is something that both chief Huckin and I continue to focus in on with rescue task force training that's currently on that cross training with staff plus working on a variety of threats and challenges that we are facing as a society in this day and age the world is

[02:06:38] unfortunately not getting any safer it's becoming more and more unpredictable It's incumbent upon us to public safety to really scan that landscape and be as prepared as possible for whatever threats may emerge so with that that is my last slide and We can I could take in whatever questions that you all have of anything that I just covered. Thank you all

[02:07:13] why those extra officers are needed if we want to have response times increase. Thank you. Thanks, Colonel Reeves. It's really helpful. I just have a few questions. One is, you know, if you're balancing increasing calls for service with challenging resources, are there other ways that you've looked at, I guess, sort of managing that resource shortage

[02:07:48] by adding to IT or adding to educational programs for community? I'm just curious other, you know, because you can't just add another X number of officers. So what other ways are you thinking about reducing that? Yeah, those are some of the one that comes to my head is the work that this workforce

workload analysis work that Ms. Shiffrin alluded to right now is we have officers that are sworn, they're doing functions that non-sworn civilian people can do.

[02:08:19] It's in through attrition moving those FTE positions into sworn positions on that step one step two and something that again I've advocated for the past four years is looking at the realm of technology and how we can use that as a force multiplier for example drones Back in the day many many years ago I was on the SWAT team and things that we did humans did they were high risk very dangerous now We have robotics that we can utilize Speed cameras is the third example in the school zones is a third example Example I have instead of having an officer

[02:08:53] Situated on Rockfish Gap and situated in front of the Lambs Lane campus running radar looking for speeders. We have Technology that can do that. So we'll continue to look at technology advancement in technology to use as a force multiplier But also look at ways that we can use that to enhance services in our community in a responsible way So when you're considering resources and it's not just officers or personnel, you're thinking of those other aspects as well.

[02:09:21] Do you feel comfortable with the amount of financial or funding that's allocated to those other resources? Yes, sir, I do. This current executive's office, and I'm not just saying that because they're here, I share it with my staff.

[02:09:39] I do share it with my staff. They have done an outstanding job supporting my mission and making sure that officers are well-trained, and I'll speak on that very, very briefly. You know, as the chief, prior to me taking over as chief, we strayed away from fundamental training for a long time.

[02:09:57] Some of that was driven by the pandemic, and some of that was driven just because of staffing, and we use that as an excuse to not train, and that's just, quite frankly, unacceptable. So I want to make sure that our officers are trained on driver's training, those tactical skill sets that they need to survive that keeps them alive, but also constitutional law training, de-escalation training.

[02:10:20] And so there's a balance to that, and driver's training as well. Driving is probably the most dangerous thing our officers can do out here on a daily basis. So sticking with those fundamentals and make sure that it's balanced, this county executive's office and finance office has been more than supportive in that.

[02:10:38] That's great. Thank you. Very helpful. Supervisor Missile, if I may, and then Chief Reeves, just to provide a little more context, I think around the question, which is optimizing existing resources too. Chief, you talked about it on slide 41 in the calls for service.

[02:10:55] Could you just drill a little bit into that calls for service total includes both community initiated and officer initiated and what i've seen in my couple of years of working and supporting pd is really an intensive focus around data hotspot kind of predictive analysis and i think even even with some of the shortfalls in the current staffing there has been improvements in the focus on where officers are proactively spending their time the officer initiated calls

[02:11:33] Could you just drill a little bit into that because I think it's helpful on this discussion. Yeah, absolutely. So when I pointed to that almost 93,000 calls for service that came in, 38% of those approximately were public generated. I mean, somebody's picking up the phone and calling 911.

[02:11:50] The rest of the calls for service are officer-initiated calls for service. That's our officers out here being proactive, doing extra patrols, making community contacts, doing traffic stops. So that's what it is that the officers are doing in between calls for service. They're out here doing whether it is a request for speeders that the community called in and complained that they're having speeding issues or suspicious circumstances that our officers are out here on midnight shift driving around and they see a suspicious person.

[02:12:18] That's officer-initiated, making sure that that's going on, checking our businesses after hours, going to community events. All those type of things are baked in to that proactive, those proactive calls for service. Can you give me those numbers one more time? Yes, sir. Officer initiated versus?

[02:12:34] Officer initiated is 62% calls for service and 38% are public generated. And the officer initiated, I'm proud to say, is up 32% from the previous year as well. So our officers are being more proactive and they're taking this data and taking this information that's being put out by our analysts and actually putting the work in and doing really good work with it.

[02:12:59] That's really interesting. So when you talk about increasing calls for service, you're talking about both of those combined? Both of those combined, yes, sir. That's really helpful. Supervisor Gunke? I have some sort of data questions. I read through the staffing report, and I didn't take notes.

[02:13:16] So if all these answers are in there, you can just tell me to go look at the staffing report again. So you have the numbers for the priority one calls. Are there lower priorities as well? There are lower priority calls. that fall outside the scope of priority one calls.

[02:13:33] That could be like a disabled vehicle or a random miscellaneous pass call or a noise complaint. So when you think of priority one calls, think about those calls that police officers activate their lights and sirens on it. It just feels like roughly it's an average of like three a day, just priority one, plus you have all the other priorities.

[02:13:56] And then just looking at the total active positions, How many people are on duty per shift? Like average, I guess. It varies day to day, and it depends on overlap days. There's a wide variety of factors if there's training going on.

[02:14:13] So sometimes if you look at this map, like on daylight shift, and I'll look to the officers behind me to either nod their head or shake their head if their chief is getting it wrong. But there can be on midnight shifts sometimes seven, eight officers, Plus the supervisors working street sometimes on an overlap day. There's more there's 12 Work in the street in it very shift by shift daylight is anomaly shift because you have traffic unit You have detectives are primary out that they can backfill. That's when your school resource officers are out as well And then the average response time is the time to get to the incident from the time that the

[02:14:53] ECC dispatches one officer. That's the the time one off the first officer arrives on scene Do you have like an average time that's spent on the call? I mean, I know obviously it's going to vary if it's a car accident versus a disabled vehicle.

[02:15:09] But is there, just try it like, you know, if you have, you know, 10 people on duty and you're taking up, you know, four hours with an incident or something. It's going to vary. If there's a specific call, I can follow up with you offline. For example, if it's a mental health call for service, that could take anywhere from one hour.

[02:15:29] And depending if they have to transport the person to Williamsburg, it could be an entire shift. If it's a DUI call, depending on how backed up the magistrate's office in jail is, it could take a couple hours to include the paperwork. If it's a shoplifter call, the officer, and they can release him on summons, they can be in and out.

[02:15:46] It all depends on what the call is. I think that's all. It's helpful to kind of visualize why there's not enough people and just what a day actually looks like.

[02:16:02] And this is just helpful. No, it's a good question because you look at, let's say, Sector 3 up where you have a shopping center up at Hollymead. Let's say one of our officers, that Sector 3 officer, you have one officer that's patrolling that entire S3 yellow area up top, gets tied up on a shoplifting case.

[02:16:19] He's going to be tied up. He or she is going to be tied up for at least an hour. They have to have to take him in custody maybe two hours and drive him to the complex. So that means you don't have an officer up in Sector 3. Rush hour, there's a motor vehicle crash. Now you're pulling the closest sector from their sector to go handle the crash in somebody else's sector.

[02:16:36] So it has this cascading effect. And then you get domestic out on an old trail that needs two officers, and you're pulling resources out that way. So that's the way you have to look at how we're deploying resources. That's all I have. Advisor Malik. Thank you very much.

[02:16:52] Every time I hear one of these presentations, it brings back memories. How important it is that you don't have the need for domestic. If you don't like to set it up on that, then you can't get things like that out of your head.

[02:17:09] Well, are you having, well, I remember Steve Sellers talking about an applicant pool of 100. Three would be able to go to the stage. When you have advertising, are we in double digits? Yeah, I would launch fireworks if we had an applicant pool of 100 at this day and age.

[02:17:33] So Steve Sellers, for those of you unaware, he was a former chief of police back in 2011 to about 2015. Different era, different applicant pool. we get about 10 applicants and maybe one or two out of those 10 will pass the entire background. This past testing day, we had one just because they couldn't pass either the PT test or we ran their criminal history and you can't be a police officer.

[02:18:01] I'm especially grateful of all the diligence, all those qualities fostering are really important. Are they allowed to use drones for investigation or is it strictly search and rescue?

[02:18:18] right now it's for search and rescue and tactical purposes only I remember when we had the officer plus up a year ago I had said something to the effect of I want to see I want to see your homework on this and was really pleased with the response I got I'm similarly pleased with the self-justifying work that's going on here I do want to just clarify with the previous one

[02:18:57] it was very clear what the officers we were hiring were for and who they were, should I assume moving forward that any time we're talking about new officer hires, we're talking about straight out of academy to patrol hires? Not necessarily straight out of the academy, sir.

[02:19:15] It's a combination of both. All of those FTEs are dedicated purely for patrol. That doesn't factor in, and Ms. Schiffler can correct me if I'm wrong, that doesn't factor in any detectives, any other specialty units. That is strictly for response to patrol calls for service.

[02:19:31] So the 39 bodies the three this year and the 39 were identified are all going to the street and on all three shifts To provide service to our community and that would include certified officers The benefit of certified officers is there's there's a six-week turnaround time as opposed to a ten-month turnaround time for somebody That's brand new the language Properly chosen, but I I am thinking because you have a step-based system, right?

[02:19:59] Are they all coming in at the same base salary level or is there gonna be fluctuation there? Based on prior year service there's fluctuation and that's what's attractive about the public safety pay scale And that's a benefit of it is we we we can attract certified officers and we have attracted Many many certified officers that have passed our background To become to backfill and that is ideal In this in this current state we are but we want balance we want to be able to develop our own young officers But we also want certified officers to come in to bring that experience because nothing replaces experience and experience

[02:20:32] Realizing that probably makes your department have a slightly more fluid budget than other departments because you advertise a position. You actually don't know until you hire the guy what you're paying him in a pretty significant way, potentially.

[02:20:48] It depends on the time of year because they can look at the website, HR's website. And let's say I'm a certified officer from Texas. I can look at Albemarle County, factor in my years of service and get an estimate of where I'd come into the public safety pay scale.

[02:21:04] If you're a brand new officer with no experience, you could factor in where you come in immediately. So all that's accessible and up front. And we use that as part of our recruitment to certified officers. They know where they're coming in at. You mentioned force multipliers, and you mentioned briefly photo speed.

[02:21:22] And, of course, that's something this board has been pushing for for a while. And part of my rationale for it is that I see it as a potential cost saver further down the line just on force demands. Are there, and we also mentioned drones very briefly, are there other kinds of opportunities for force multiplying that you see could have a bottom line impact on your budget and your annual costs that you were statutorily disabled from that we could make a ruckus about?

[02:21:53] Not at this time. There's nothing that's jumping out. There are other technology components that we're working with, our IT, and doing internal research on that we're going to be moving forward to present at the appropriate time. But right now, those are the two that jumped the headline, and nothing is legislatively prohibitive for us to do.

[02:22:16] I didn't think to ask this until you were answering Supervisor Duncan's question, but we're now, I think we've spent more than a year after your department absorbed TDO transports. It hadn't occurred to me until I think this moment that it would be the officer on patrol in that sector who would then be, oh, well, I guess I'm driving to wherever this app tells me I have to take them to the nearest hospital vacancy.

[02:22:41] How has the staffing of absorbing that role? Yeah, so our staff has absorbed that. We also have a callback list for officers who want to volunteer to work overtime assignment that can help that. There's still cost with it, but sometimes if there's nobody available, the officer has to take on that responsibility.

[02:23:03] This can one-time cost associated. The one-time cost steeps up every single audit.

[02:23:26] Outside of that, I'm going to hold off one other question through that. All right, I'm going to try to get our content in here. Thank you. I'm going to give a brief overview of the resources for fire rescue that are recommended in the budget.

[02:23:46] Then Chief Puckett is going to walk you through operational things on the side of fire rescue. Then I'll come back in and talk about the Office of Emergency Management and the public safety external agencies. So as you know, in recent years, the county has invested significantly in fire rescue, primarily by pursuing a number of FEMA safer grants to hire firefighters.

[02:24:06] And last year was the first budget where we started seeing those grants expire. We started picking up the cost of funding those firefighters locally. Since 2021, we've had four grants totaling \$12.7 million, and that's been awarded for 57 firefighter positions.

[02:24:23] In this budget, we're picking up local funding for 30 positions for one half of the year, and that amounts to the \$1.7 million that you see on the slide here. We also have an intention in this budget to pursue a fifth FEMA grant, which will fund an additional six firefighters to address some of the staffing issues that Ms. Shiflett spoke to earlier.

[02:24:42] Also included in the budget, as Ms. Rice covered earlier, we have \$1.3 million to maintain competitive salaries for recruitment and retention. And we have a few operational costs increasing in the fire rescue budget this year. First is a replacement of some durable Toughbook laptop computers that need to be updated due to a software change.

[02:25:04] Similar to what you saw in the police department, we have some increases related to providing a mental health clinician and fire rescue. And an increase in cost for annual physicals for staff. The budget also includes a \$25,000 increase in funding to support the volunteer reimbursement program for fire rescue.

[02:25:24] As well as contributions to the fire rescue volunteer groups for their operational support. And we have the details of all of that listed in the recommended budget document. If there's a specific fire rescue volunteer agency that you're curious about. And then finally, their budget includes reallocating two FTEs to the Office of Emergency Management.

[02:25:43] That's in line with the ESCI study recommendations, and I'll cover that in a future slide. So now I'll turn it over to Chief Puckett, and he'll walk you through the operations of the department. Thank you, Ms. Malcolm. Good afternoon, Board. David Puckett, Chief of Fire Rescue.

[02:25:59] Before I comment on the fiscal year 27 proposed budget, I'd like to take a minute to remind the Board of fiscal year 25 budget process. During one of those work sessions, I shared with the board two ongoing service challenges, the need to add an additional ambulance to the Seminole area and a request from North Garden Volunteer Fire Company for 24-7 career staffing.

[02:26:19] Thanks to the board, we were able to address both those needs that year with a combination of local funds and a federal grant. We've shared with the board previously how long it takes to hire, train, and deploy firefighters. The firefighters the board funded as part of that 25 process went into service this January.

[02:26:36] The new services have only been in operation for six months, and we should be careful about drawing conclusions until additional data is available. But I'm excited to share some promising indications

that those units are having a positive impact on our service delivery. This slide shows the impact of the second ambulance added to the Seminole or the Route 29 Rio area.

[02:26:57] You might recall that the Seminole area is our busiest demand zone, receiving over 4,500 requests a year for an ambulance. The sole ambulance that was assigned there responded at over 3,000 of those calls, but they were unavailable for the remaining 1,500.

[02:27:13] The remaining calls were answered by ambulances from other areas, other parts of the county, resulting in increased response times and decreased ambulance availability for adjacent communities like Holly Mead, Ivy, and Pantops. Since adding the second ambulance, the reliability in that area has increased to 80%.

[02:27:32] Because ambulances aren't responding from other areas of the county as frequently, we've also seen a decrease in response times of almost a minute. And finally, I shared with the board the negative impact the excessive call volume was having on our personnel. And I'm happy to report that the workload of that original ambulance has dropped to a more sustainable level and that several firefighters have reported a noticeable difference in how they feel after working a shift at that station.

[02:27:58] The North Garden Volunteer Fire Company requested to expand their existing daytime career staffing to 24-7 during that budget process. The additional career staffing would provide an additional ambulance to an area on nights and weekends and provide relief to an aging volunteer workforce.

[02:28:15] Since previously there was no ambulance available nights and weekends, the area has experienced a dramatic increase in ambulance availability, up 84%. Simultaneously, the area has seen a decrease of approximately two minutes in ambulance and fire engine response times during nights and weekends.

[02:28:31] Finally, North Garden Volunteer Chief shared that the career staff has relieved the pressure to respond to every low-acuity call. Focusing their efforts on higher acuity and second calls has allowed members to spend more time with their families. I should also emphasize that this is the first volunteer station with 24-7 career staff.

[02:28:52] Both volunteer and career responders have reported a positive experience. Career personnel expressed a welcoming and supportive environment while volunteers continue to be engaged and serve their community in a meaningful way. I want to thank the board for its ongoing support and allowing me a minute to share the impact your investments are having in the community.

[02:29:11] Despite the substantial investments the board has made over the last several years, we continue to experience challenges in meeting our daily staffing obligations. 85% or 182 FTEs, including our eight overhires, are assigned to operations, providing frontline service to the community.

[02:29:29] However, many of those positions are not available for staffing on a daily basis. As you can see from the chart, 140 or 77% of operational FTEs are actively working in the field. We have 24 FTEs assigned to training as students. This includes 18 in our recruit school, 6 in paramedic school.

[02:29:47] An additional 4 FTEs are assigned to training as instructors. Our training division has limited capacity, so instructors from operations are necessary to achieve the student-to-instructor ratio required for our recruiting school. The ESEI study acknowledged this practice and recommended adequately staffing the training division in the future to avoid drawing down operational resources.

[02:30:09] Six FTEs are currently on modified duty or long-term leave, such as military leave, family medical leave, or parental leave. And finally, despite starting a recruit school in January, we currently have eight vacancies. Since we only hire once a year, these vacancies won't be filled, trained, and providing service until September of 2027.

[02:30:29] Although this picture is constantly changing, our current status is not unusual, especially during the first half of the year while recruit school is in session. In 2025, Fire Rescue experienced an unusually high attrition rate of 11.5%. This was driven largely by a larger-than-normal recruit school and retirements.

[02:30:48] When recruits and retirees are excluded, the department's attrition drops to 3.7%. While it's important to understand why employees leave the department, all attrition, regardless of the reason, has the same impact on daily staffing. One way these staffing challenges show up in the community is through service reductions.

[02:31:08] When sufficient personnel are not available, some rural stations are reduced from three firefighters to two. During the impacted timeframes, the fire engine is removed from service and the remaining two firefighters respond in an ambulance or a tanker truck, depending on the nature of the emergency. In 2018, ACFR implemented the use of service reductions or dynamic staffing after we began to experience an increase in forced overtime.

[02:31:32] Forced overtime is typically 12 hours of mandatory overtime at the end of a firefighter's 24-hour shift. The increase in forced overtime was having a significant impact on our employees' personal lives and job satisfaction and was an unsustainable staffing solution. So we made the difficult decision to implement targeted service reductions when adequate personnel were not available.

[02:31:54] In 2025, we reduced service a total of 218 times. That's not to say that there was 218 days with a single reduction. Staffing shortages are often inconsistent, so in many cases, multiple stations were reduced on the same day.

[02:32:11] On a positive note, service reductions peaked in 2023 and have been decreasing since that time frame. That decrease is the result of five firefighters who were funded as part of a FEMA SAFER grant. That grant was specifically designed to bolster our existing staffing as opposed to adding or expanding service.

[02:32:32] The ESEI study evaluated our existing staffing capacity and recommended adding six additional firefighters. Based on the impact of the first five firefighters, we believe six additional firefighters will enable us to completely phase out service reductions. The FEMA SAFER grant included in Mr. Richardson's recommended budget provides the six firefighters recommended in the ESEI study and allows us to continue decreasing the number of service reductions.

[02:32:55] We also continue to work with our volunteer agencies to look for efficiencies in our volunteer onboarding process, improve our volunteer membership data, and the proposed budget includes an increase in the volunteer reimbursement program. Although not an area of funding in the proposed budget, Fire Rescue is currently evaluating its organizational structure to ensure alignment with the ESEI study and the recent workload analysis.

[02:33:20] And then finally, during fiscal year 27, we plan to fully evaluate and prioritize the recommendations in the ESEI study to inform the county's five-year planning process. And I'll turn it back

over to Ms. Malcolm for the emergency management slides. So quickly, I'm going to cover the Office of Emergency Management.

[02:33:37] You've heard about this before, but in the ESCI study, it was recommended that we establish a separate Office of Emergency Management, and that's what we're being responsive to here. This is a budget-neutral reorganization, so we're pulling two FTEs out of fire rescue into the Office of Emergency Management, and they have an operating budget, again, coming out of fire rescue for \$118,000 to support their needs.

[02:34:00] That office is going to be a standalone office that will be reporting to the county executive's office as part of the proposed budget. And lastly, I want to cover the regional public safety agencies. Supervisor Galloway kind of alluded to this earlier, but we have several partner agencies that we have agreements with.

[02:34:19] And in many cases, there are formulas that drive their budgets from year to year. So on this slide, you see a selection of the ones in the public safety chapter and the increases that they're going to be projecting for next year. One thing I do want to highlight that we haven't covered yet is there are always staff adjustments that happen between the time that we finalize the county Executives recommended budget and the time that we adopt the budget. So for example, one of these is the Albemarle Charlottesville regional jail. They had a proposed budget from their board when we went to print with our budget. We have since learned of a downward adjustment where they need less funding from the county to sustain their operations.

[02:34:57] So that will come back as part of many staff Adjustments that we'll suggest later in the process. That's kind of typical when these timelines of the individual boards are out of sync with this board's budget process. Think that's everything that I wanted to cover on this slide. So I'll pause there as we wrap up the public safety chapter for questions for chief Puckett or me. And then we'll move on to judicial time allows.

[02:35:28] Questions versus commentary supervisor. Yeah, the only question I have is regarding the volunteers. Have you seen that increase decrease or stay stable? That's a great question. I think we're trying to get our arms around that. When I discuss trying to get better volunteer membership data, I think that's where we're trying to figure out exactly how that's trending and which way it's going.

[02:35:53] Based off the growth we've had in the last several years where volunteer stations have requested career staff, I think they are seeing some decline, but it's not equal. Some stations are doing really, really well and have a lot of members, and others are struggling to recruit and retain members.

[02:36:10] Real quick, just thank you on behalf of the North Garden problems. I've heard several people say how happy they are to have that security. I'm just curious, you mentioned the attrition rate is unusually high. What's an average new?

[02:36:27] Where would you like to see it? Yeah, I would love to say it pretty low. Ideally, maybe around 5% or so. I think HR would probably have the official answer of where as an organization we're striving for. I think what we will see over the next five years or so is retirements increase.

[02:36:46] We started hiring operational staff 28 years ago, so they are all sort of aging out and start approaching retirement. And so that's certainly a focus of mine is succession planning and preparing folks to take on those leadership roles as we start to see retirements.

[02:37:03] No questions. No questions. Professor Pruitt? It's a slightly unfair question because I'm going to be asking if someone other than your organization does in response to your organization.

[02:37:19] But something that I bring up in fire, basically it's a budget justification. When we have service reductions like you were talking about, is that kind of deprecated service, is that captured by insurers?

[02:37:36] Not typically. ISO is the organization that typically rates fire departments for insurance purposes, and they do that every couple years. So there's sort of a snapshot in time. If we are doing that regularly, then yes, they could pull back and not count some of that as part of our suppression force, if you will.

[02:37:56] But to this point, it is not. And very quick, I feel like we, is there a non-resident collected on service as well? For EMS Transports, the county bills, insurance only billing, as long as they are an Alamo County resident.

[02:38:19] Anybody outside of Alamo County, then they will also follow up with a bill for the copay. But it is soft billing, if you will. After three bills, they don't send you to collections or anything like that. Don't say it too loud. Thank you. 44, and I think it was the following slide, you showed the impacts of the stations, your data, and you allude, I just wanted to be clear, that's specific to the ambulance where it's serving, the localized area?

[02:38:51] Correct. So I would be curious to see, you alluded to how it impacts the other places. Yes. I'd love to see that at the appropriate time. Yeah, and and I didn't say this before I should just point it out This performance is January 10th to February 28th compared to last year the same time frame So it is a relatively small data set. So I just want to point that out I believe in in Seminole case In that time frame there was a hundred and twenty less responses from ambulances outside of the area. So so to your point Those other areas and communities are also seeing an improvement in service

[02:39:29] Because during this year's budget, we have to remember to be able to share what happened from last year or previous budgets and the impacts that they had. This was one that came up that we had to specifically. And that's all I have.

[02:39:49] Thank you both so much for being here. Oh, the OEM, it's just the two FTEs pulled out of fire or are there other FTEs? It's just the two FTEs. And are they the fire marshal and somebody else? Like, who are the positions? That would be the emergency manager and the assistant emergency manager.

[02:40:05] So those two are just getting pulled out together. So those positions exist currently, so into fire rescue. We're just pulling them out within public safety. Awesome. Thank you. So the last chapter that we're going to cover tonight is the judicial section.

[02:40:26] So as I spoke to previously, 2% of the overall general fund budget is the judicial chapter. Within that, you see the highest amount for the Albamarle County Sheriff. That's 53% of the 10.2 million that's represented in the judicial chapter.

[02:40:45] This budget includes a recommendation for three new sheriff's deputy positions within the judicial chapter. That's really being driven by the opening of the new courts facilities that we've recently renovated and are continuing to come online. The positions are being added to assist with day-to-day operations of the office, including courthouse and courtroom security, as well as inmate transportation and civil processing.

[02:41:09] The sheriff's budget also includes some modest increases for the replacement of durable laptop computers, similar to what you saw in fire rescue, and the replacement of some existing vehicles that are at the end of their life cycle. Within the other offices in the judicial chapter, the Commonwealth's attorney, the clerk of the circuit court, and the public defender, all of those requests are funded at their request level, with very modest increases, primarily for cost of living adjustments for existing staff that they have within those offices.

[02:41:41] And that is the last slide for Judicial, if you have any questions on that. Supervisor Lovista Kirk? No questions. Supervisor Missal? No, sir. Supervisor Duncan? When the sort of plan for the court renovations and expansion stuff was done, was it planned then that they would need new positions?

[02:42:03] Yes? Yes. Okay, that's all. Supervisor Matt? No questions. Thank you. Supervisor Pruitt, I don't think I have Mr. Zugg and Mr. Hingley. We're grateful that we're not being grilled.

[02:42:22] Well, thank you, and thank you. You should expect, by the way, next year for the court request to remain steady. We're not going to ask for any of a debt big sin. I wasn't asking about firing.

[02:42:45] I appreciate the partnership with the Commonwealth's Attorney's Office.

[02:43:32] Very well.

[02:43:45] So, in firing, December 31st. All right, so for future reference, the clerk and the Commonwealth attorney are allowed to sit next to each other.

[02:44:04] Thank you both for the update and for that info. Thank you. All right, back to where are we at next steps? I'm going to recap this with next steps. So as Andy started out this morning, or a few hours, just a few short hours ago.

[02:44:23] It feels that way, yeah. Daylight savings time, first work session. There's a lot going on. We have our next work session. on wednesday afternoon at five o'clock again in this room um these are the chapters that we're going to cover in that work session these were sent to the board previously and as andy noted earlier the one changes that we move non-departmental that chapter to work session number two so we'll be starting there when we regroup on wednesday otherwise your agenda remains the same as it was previously we're happy to take any additional questions or follow-ups that you have for us Any additional questions?

[02:44:59] I do regarding the general fund expenditures, placement of monies and everything. Where will, when will we have an opportunity to have an input as to, especially as their health and welfare, the programs.

[02:45:19] The outside agencies, is that what you're thinking of? Yeah. Yes, that's on Wednesday. That's on Wednesday. Perfect. Thank you. That's it. Any others? Yeah, I have one just because it comes up kind of in like every department of just what it means. I looked it up, so I think I know, but the VRS kind of like decreased to like less money in, just sort of what that means.

[02:45:41] Do you want to speak to that? Sure. So every two years, the state will do a study. We're as part of the state pool for the Virginia Retirement System. Based on our workforce, the VRS will be investing those funds, getting returns. They'll do their actuarial study, and they'll adjust those rates up or down.

[02:45:59] So the Board of Supervisors will contribute a percentage of employees' salaries, and employees contribute a portion of their salaries into the VRS pool that gets revised every two years. And this year, the

rate happened to go down for a million-dollar savings for county government. Is that because the interest returns were higher to make up that difference, or are we just giving less to people's retirement fund?

[02:46:20] It's not a decrease in people's retirement. I would have to go to the details of the actual real study to figure out what the factors were. Can I add one? Our benefit, though, did not change at all in terms of the coverage that our employees have when they retire.

[02:46:36] Right, yeah, I figured that. I was just kind of wondering, the money going into it is coming from somewhere. If it's not coming from us, was it coming from, like, higher returns or something? But it's the system, the retirement system. Most cities and counties in the entire Commonwealth go into that one system.

[02:46:55] And so when they start doing actuarial every two years on who owes what, you can theoretically go up or down. And that's across the Commonwealth. And so it's not just a single retirement system like the city of Charlottesville has. I also want to say one more thing about it, because at one point, one million, right?

[02:47:14] One point. About a million dollar savings. Million dollars of savings, which is an expense decrease for us, for county schools, that was \$3 million. And so while that is not new revenue, that is a \$3 million decrease that is just like a new revenue, just like for us.

[02:47:32] It was just like getting an additional \$1 million. And that factored in, and we're going to talk about schools next week, but that factored in, and I wanted to mention it now because we've really not honed in on it. That factored into what I looked at when I looked at how much more state money that was going to be coming to schools when you combine LCI with the reduction in the ERS.

[02:47:52] because it's enough money to talk about when you start talking about \$3 million. Thank you. To clarify, does that answer your question, or would you like me to read the actual question? I'm going to go look it up again, but it does help. Thank you for having me not read the actual question. Yes, let's do it. Budget, then we're from the board.

[02:48:15] Matters not listed on the agenda. Any items here this evening? None. All right, and then from the county executive, any? No, sir, not unless the budget team, finance team has anything, or am I right? No, sir.

[02:48:31] All right. Well, great. Good work for everything tonight. With that, and without objection, we will adjourn to March 11th, 2026, 5 p.m. here in room 241. Thank you, everyone.

