

A Special Meeting of the Albemarle County School Board was held on May 10, 2017 at 2:30 p.m., Albemarle County Office Building, 401 McIntire Road, Lane Auditorium, Charlottesville, Virginia 22901.

SCHOOL BOARD MEMBERS PRESENT: Mr. Stephen Koleszar; Dr. Kate Acuff; Mr. Jason Buyaki; Mr. Jonno Alcaro; and Mr. Graham Paige.

SCHOOL BOARD MEMBER ABSENT: Mr. David Oberg and Mrs. Pamela Moynihan.

SCHOOL BOARD STAFF PRESENT: Dr. Pam Moran, Superintendent; Dr. Matt Haas, Deputy Superintendent; Mr. Dean Tistadt, Chief Operating Officer; Ms. Rosalyn Schmitt, Assistant Director of Facilities Planning; Ms. Lorna Gerome, Director of Human Resources; and Mrs. Jennifer Johnston, Clerk of the School Board.

BOARD OF SUPERVISORS PRESENT: Mr. Norman G. Dill, Ms. Liz Palmer, Ms. Ann Mallek, Ms. Diantha H. McKeel, and Mr. Rick Randolph.

BOARD OF SUPERVISORS ABSENT: Mr. Brad Sheffield.

OFFICERS PRESENT: Interim County Executive, Doug Walker; County Attorney, Greg Kamptner; Ms. Lori Allshouse, Director of the Office of Management and Budget; Mr. Bob Crickenberger, Director of Parks and Recreation; Mr. Bill Letteri, Assistant County Executive; Clerk, Claudette Borgersen; and Senior Deputy Clerk, Travis Morris.

Agenda Item No. 1.1. Call to Order.

At 2:35 p.m., Ms. McKeel, Chair of the Board of Supervisors, called the Board of Supervisors to order. Dr. Acuff, chairman, called the meeting of the School Board to order.

Agenda Item No. 2.1. Consideration of Amending Personnel Policy §P-63: Board of Supervisors, and Agenda Item No. 2.2. Consideration of Changes to Policy GCPC.

Ms. Gerome, Director of Human Resources, addressed the Board and stated that staff seeks approval to amend the personnel policy regarding retirement, in particular the section under the Voluntary Early Retirement Incentive Program (VERIP), and reminded them that this issue was brought up at the February Board meeting. She said retiring employees could choose to stay on the County's health plan or opt for a cash equivalent amount equal to the Board contribution. She said the Board's contribution must be defined and the amendment would set this at \$712/month.

Ms. Mallek expressed concern that additional staff will be required to make the computations, and asked if this will result in a loss of the savings that had been expected from the policy change. Ms. Gerome commented that the change would simplify things since it clarifies the amount.

Mr. Koleszar asked what the current benefit amount is. Ms. Gerome replied that it is \$712.

Ms. Palmer asked if those who are currently receiving the stipend would see a reduction. Ms. Gerome said their stipend would remain the same.

Ms. Palmer asked if the stipend had been eliminated for those retiring as of July 1, 2016. Ms. Gerome said they previously had a stipend that was an additional retirement benefit, but it was phased out last year.

Ms. Palmer asked if the benefit would be tiered going forward. Ms. Gerome replied that going forward, retiring employees could choose to pay the same amount as employees for health insurance or take the cash equivalent, and the purpose of today's item is to define the Board's contribution, which will be equal to the cash equivalent amount.

Mr. Randolph commented that at age 65, when retirees become eligible for Medicare, the stipend ends, and said this is an appropriate and necessary reform.

Ms. McKeel asked for clarification that both the School Board and the Board of Supervisors would have to hold separate votes on this item. Ms. Gerome confirmed this.

Mr. Koleszar offered a motion to adopt the proposed policy revision. Mr. Buyaki **seconded** the motion, **and the motion passed with Mr. Oberg and Mrs. Moynihan absent.**

Mr. Dill then offered a **motion** to adopt the proposed Resolution to amend Personnel Policy § P-63. Ms. Mallek **seconded** the motion. **Roll was called and the motion carried by the following recorded vote:**

AYES: Mr. Randolph, Mr. Dill, Ms. Mallek, Ms. McKeel and Ms. Palmer.

NAYS: None.

ABSENT: Mr. Sheffield.

Motion carried by a 5:0:1 vote.

Agenda Item No. 2.3. CIP: Process/Challenges/Strategies Discussion.

Mr. Walker stated that he will present the introductory portion of the discussion, and then Ms. Lori Allshouse will present. He said the topic of scheduling a discussion to consider broader capital needs arose several months ago during a meeting of the Chairs and Vice-Chairs of the School Board and Board of Supervisors. He said an item for discussion was a potential bond referendum to be held in November 2018, and they are seeking Board direction so that staff can better prepare for the upcoming CIP process. He said the desired outcome is to obtain input from both Boards on long-term needs and specific input on assumptions related to a potential calendar year 2018 bond referendum. He said the slides to be presented will reflect on the successful 2016 referendum, offer a brief overview of the CIP cycle and process, facilitate conversation on big ticket capital needs projects that are not necessarily in the CIP, facilitate conversation about how CIP capacity is modeled as well as its affordability, and include a discussion about funding options.

Mr. Walker reflected on the 2016 referendum and said he would like to facilitate discussion between the two Boards about what they are trying to accomplish, whether objectives were met, and what led to the results.

Ms. Palmer commented that the referendum was done very professionally, and the public response reflected that an excellent job was done.

Ms. McKeel commented that the referendum passed strongly.

Ms. Mallek said the referendum was successful because the purpose was made clear, it was for bricks and mortar, without uncertainty.

Mr. Buyaki said it was important to present a detailed analysis to citizens of how the money would be used. He said if they were going to borrow \$35M, they should be more transparent as to what the true cost was by estimating interest costs.

Dr. Acuff noted the 74% approval rate and attributed it to genuine collaboration between the County and Schools. She commented on the good quality of the information materials distributed to the public and the engagement and interest among the community.

Ms. McKeel said the community was very education-centric and was supportive and appreciative of education, as long as there was clarity as to how the funds would be spent.

Mr. Buyaki commented that all age groups supported the referendum, including those with schoolchildren and those without. He said the education efforts to raise awareness of the lack of space capacity in the schools was successful.

Ms. McKeel praised the quality of the informational materials prepared by staff and expressed her approval that the materials were available at polling sites.

Ms. Palmer addressed Mr. Buyaki's comment about communicating the full cost of the referendum to residents, adding that she felt the full costs were communicated. Mr. Buyaki responded that full costs were not adequately communicated. Mr. Randolph agreed with Mr. Buyaki that some indirect costs were not fully identified, such as the amount of staff time required for public relations, the costs of printing, and underwriting expenses. He said all of these expenses should be identified at the outset for any future referenda, to avoid cynicism among the public. He said in the future there would be so many demands for funding and that resources available for capital funding would likely be reduced, and cited the likely loss of \$5M in federal funds they are currently utilizing. He stated that it is important to assess critical building needs that are beyond the normal capacity of the CIP and utilize every dollar to meet the most critical brick and mortar capacity needs, relying on the CIP to cover some of the other projects.

Mr. Koleszar stated that they should be counter cyclical and pointed out that if they had held the bond referendum six years ago, they could have purchased 50% more construction than they can buy now. He said with costs of construction rising, now is not the time to expand capital spending, and they should await the next recession when costs will be lower. Ms. McKeel expressed agreement with Mr. Koleszar's comments and pointed out that when they first began obtaining cost estimates in 2009, they were much lower. Ms. Palmer also expressed her agreement and said the Rivanna Water and Sewer Authority was able to make improvements during the recession at considerable cost savings.

Mr. Randolph said they were in a disadvantageous position because they had not properly funded the CIP, and if a one-penny tax increase had been enacted, they would have more funding available.

Dr. Acuff acknowledged the comments made by Mr. Koleszar and Mr. Randolph, and said it is important to do a broader educational outreach to the public about capital needs, as well as a better job publicizing projects funded by the referendum.

Ms. Mallek pointed out that the cost of construction of the Crozet Library would have been \$1.5M less if the project had been completed two years earlier, and in the future they would need to be aware that costs will change.

Mr. Alcaro praised the Finance Department for being conservative on its estimate of interest rates for the referendum, as they were able to realize cost savings.

Ms. Allshouse then continued the presentation. She displayed a flowchart of the process involved in developing the FY19 CIP, known as the CIP cycle, and presented a slide listing inputs to the process. She said the Long-Range Planning Advisory Committee meets about 10 times per year to assist the schools with CIP planning, and consists of 12 members appointed by the Superintendent. She listed means of input as the Parks and Recreation 2017 Needs Assessment, Police and Fire Departments meeting with FEMS Board and developing standards of coverage, the library conducting studies with citizen groups, transportation priorities, and geo-policing. Ms. Allshouse next presented a slide of previously identified unfunded CIP projects that total \$258.8M.

Mr. Randolph pointed out the list does not include a potential new County office building.

Ms. Palmer pointed out that the list does not include the recycling center and solid waste initiatives they have discussed.

The next slide was titled, Unfunded Five-Year Drivers (Big Ticket Items), and listed four items.

Ms. Schmitt addressed the Board to review the big-ticket items. She said the Western Albemarle High School item was to add additional capacity for growth, as well as some improvements to existing buildings. She said the southern feeder pattern consists of improvements to the existing building, as well as some additional capacity at Scottsville.

Mr. Palmer asked what the time frame is for the western feeder capacity work. Ms. Schmitt responded that it is roughly five years and is primarily at the elementary level.

Mr. Alcaro said if the Board decides to build a new high school, this type of project should be delayed until the climate for building is better. Ms. Schmitt said they are in the process of hiring a consultant to conduct a facilities study for all the high schools, with specific recommendations expected by September or October.

Dr. Acuff said the consultant would look at square footage capacity needs as well as qualitative needs.

Mr. Randolph requested that Ms. Schmitt have the consultant present a 10-year vision, as it would help the Board with the CIP. He also noted that the recent state law change addressing proffers would present a challenge.

Dr. Acuff reminded the Board that the School Board recently held a meeting with the Planning Commission and will meet with them again in October.

Ms. McKeel requested the Board of Supervisors be notified once the date has been established for the next School Board meeting with the Planning Commission.

Ms. Allshouse listed the additional big-ticket items, beginning with a Fire and Rescue Public Safety Training Facility. The next items are for the Police Department to include evidence processing, vehicle storage, a training academy, and a district station. The next items are for Parks and Recreation and includes Hedgerow Park improvements and athletic fields. The next items are for the libraries and include renovation of Central Library and a new southern library.

Mr. Randolph asked about the public safety training facility and said there was an assumption that to incorporate the space at County Office Building South for a police training facility, the Department of Social Services would move out. He said he does not see anything addressing the issue of Social Services relocation. Mr. Walker responded that there are a number of moving parts, and they will have to find space for Social Services if a training academy is established.

Ms. Palmer asked if the \$11.5M is to rehabilitate the 5th Street building, or if it represents an estimate of what a training facility would cost. Mr. Ron Lantz, Chief of Police, responded to Ms. Palmer's question and said the Police and Fire Departments recently met to discuss combining the two training facilities.

Mr. Buyaki expressed approval for the concept of multi-use buildings, saying it makes good financial sense.

Ms. Palmer asked if they are working with University of Virginia and City of Charlottesville when assessing facility needs. Mr. Walker responded that they are exploring opportunities for partnerships.

Mr. Crickenberger explained the Hedgerow project, stating that the property is on Route 29 South a few miles from the I-64 interchange and was originally donated to The Nature Conservancy, which held it and had conveyed it to the County. He said they plan to develop it as a trail park.

Ms. Mallek asked if athletic facilities are strewn throughout the County, and if they will be adding new ones or renovating existing fields. Mr. Crickenberger replied that they plan to renovate nine fields and construct

two new synthetic turf fields, with lighting at Western Albemarle High School. He added that they propose to also renovate two fields at Henley, two at Hollymead, and four at Darden Towe, and all the fields will include lighting.

Ms. Mallek said schools have been moving away from turf fields because of new studies and she asked if a thorough investigation could be done. Mr. Crickenberger said the EPA is conducting a study to address impacts with shredded rubber, adding that filler alternatives include sand, coconut fibers and cork. He said they plan to conduct a recreational needs assessment that identifies current programs and services as well as gaps, which should be sufficient for the next 10 years. He noted that he hopes to report findings to the Board by the end of the year.

Mr. Randolph asked Ms. Allshouse about the item for a new southern library at \$8.5M. He said Frank Friedman, President of Piedmont Virginia Community College, is open to allowing a new library at the college to serve a dual use as a County library. He asked if the \$8.5M considers this or if it is for a standalone facility. Ms. Allshouse replied that it would be for a standalone library.

Ms. Allshouse continued her presentation with the next slide listing, Other Drivers, for the CIP and Capital Needs Assessment. She said strategic priority themes include urbanization, neighborhood revitalization, redevelopment, transportation and devolution, and economic development. She next reviewed potential projects that could be addressed if an additional \$100M in bond debt were issued. She said County policy limits debt to 10% of the General Fund and School Fund revenues, and displayed a chart showing County debt over a five-year period from FY18–FY23.

Mr. Randolph asked if they would jeopardize their AAA bond rating by issuing additional debt. Ms. Allshouse explained that her understanding is that if they stay within the Board's policies, they should retain a AAA rating. She said an additional \$100M of debt would result in additional interest of \$7.5M/year and \$150.1M over twenty years. She emphasized that the County has a pay-go policy requiring a portion of the funding for capital projects be provided as cash equity, but they have not met this goal in a long time and would require about \$8.2M. She said a budget surplus could be allocated to the pay-go equity. She next pointed out that capital projects incur annual operating costs that must also be addressed.

Mr. Buyaki asked what the assumption of future County revenues is. Ms. Allshouse replied that she does not have that figure with her, but said they do a five-year projection on every revenue stream as part of the planning process.

Mr. Randolph, addressing the chart showing interest payments, commented that the amount of total interest paid seems high, and asked if it is typical to pay almost 50% of the cost in interest over 20 years. Ms. Allshouse said they used a 4% rate assumption.

Ms. Allshouse concluded her presentation with a slide listing alternative funding strategies besides referenda, stating that staff now seeks direction from the Board.

Mr. Dill said if they have another bond referendum, he would like local investors to participate and had discussed this with Deputy County Executive, Mr. Bill Letteri. He said this would generate more interest among the local community if they could invest.

Mr. Letteri said if the Board wishes to consider local funding, he suggests they schedule a work session to discuss this.

Mr. Buyaki noted that the rates of interest for the general obligation and lease revenue bonds are similar, and asked Mr. Letteri if this would be expected in the future. Mr. Letteri said interest rate compression is typical in a low interest rate environment.

Ms. McKeel asked for clarification as to exactly what guidance staff is seeking today.

Mr. Walker asked if there is consensus among members of the two Boards to explore a 2018 bond referendum, though the amount and the specific projects have not yet been identified.

Mr. Dill said he would be interested, but would also like to see an assessment of how tax increases could generate additional revenue so they could look at everything together.

Mr. Walker said it takes about 12 months to put together a bond referendum, and so they would like to begin that work with Board direction.

Dr. Acuff encouraged the Board of Supervisors to explore all options.

Agenda Item No. 2.4. United Way – Pre-K Update.

Ms. Erica Fasellio addressed the Board and thanked various leaders from the school division and County for their work with the Early Education Task Force and vision to place all at-risk four year olds in preschool. She said she would share information from a fiscal map that indicates current resources and investments being made to address the 0-5 age group, and would then review the outcome collaborative, which seeks to demonstrate that the investments made are having the intended outcomes. Ms. Fasellio said total spending for children ages 0-5 is just over \$13M, with local government being the largest funding source. She displayed a slide with a pie chart of funding sources, a slide listing total funds for several programs, and a slide listing funding by sector. She said pre-kindergarten receives the largest amount of funding, by far. Ms. Fasellio presented a slide showing the number of children served by several programs as well as the number of unserved, stating that they are well on their way to achieving 90% service, which is considered the potential maximum as some parents choose not to participate. She introduced Barbara Hutchinson to discuss the outcome collaborative.

Ms. Barbara Hutchinson, United Way Vice President for Community Impact, addressed the Board and said the collaborative was debated for many years among partners and finally came to fruition two years ago, thanks to the work of Dr. Moran and Mr. Walker. She stated that the vision is to close the opportunity gap by providing all children with the most appropriate and effective early services, supports, and high-quality early childcare and education. She said the purpose of the program is to connect early childhood services and education to determine their individual and combined impact on later school achievement. Ms. Hutchinson listed financial partners, including the United Way, Charlottesville Area Community Foundation, and Virginia Early Childhood Foundation. She listed program partners as both area public school systems, both public pre-k programs, both area United Way chapters, Head Start, the Home Visiting Collaborative, Ready Kids, and Jefferson Area CHIP.

Ms. Hutchinson said they hope to learn what programs children are enrolled in, the frequency of services, and whether they achieve better outcomes than non-participating children do. She said the outcomes are to arrive at kindergarten ready to learn, achieving academic success throughout school, graduating on time, attending post-secondary education, and obtaining employment. She said they have many of the same partners as the Early Education Task Force, and a lot of their work overlaps. She stated the Early Education Task Force has undertaken a mixed-delivery project with the public pre-k programs to provide spaces for all three year olds in the public schools by using private providers when there is not space in the schools buildings. She said the task force had worked to develop a common preschool application among all three public preschool programs. She said the Outcome Collaborative is looking at longitudinal data to see where programs are impacting schools later on. She said the direct outcome of the collaborative is to annually review immediate impacts on the programs and analyzes whether adjustments should be made.

Ms. Cathy Train, President of Thomas Jefferson Area United Way, presented. She said the United Way, County, and City have had a unique partnership for many years focused on early childhood, which has been enhanced in recent years to ensure children arrive at school ready to learn and to be successful in life. She said that over 70% of at-risk four-year olds in the County and 90% in the City have a seat in a pre-k class, noting that the Outcome Collaborative is one of only three in Virginia, so they are being watched as a model community. She recalled that in 2009, the Outcome Collaborative data project conversations fell apart, yet they have come so far because of great leadership. She attributed the success of increasing the number of enrolled four year olds to the

support of Pam Moran, Rosa Atkins, Tom Foley, Maurice Jones and Doug Walker. Ms. Train stated that they have a demonstrated model and have drawn on state funds that had been overlooked for years. She stated that to increase and sustain the participation of at-risk four-year olds in preschool, they need the support and leadership of the Boards and staff.

Mr. Dill said he recently visited Agnor-Hurt School with Ms. Mallek to observe the preschool program and was impressed with the efficiency and the wonderful teacher. He said the kids were absorbed in a sand project and loved learning terminology. Mr. Dill stated that he also visited a field day event for four-year olds at Red Hill School where they had police and fire trucks, which he said was extremely enjoyable. He asked Ms. Train when they could expect to see the long-term results of the program, and if the studies are specific to their local program or are more comprehensive. Ms. Train responded that it is a long-term project and invited Ms. Hutchinson to address the question.

Ms. Hutchinson explained that the local project is one of three, with the others in Richmond and Roanoke, though the others only include consenting families and only look at pre-k PAL scores, while their program looks at the whole spectrum of early services to determine what combination produces the greatest result and determine how to allocate future resources.

Ms. McKeel asked for clarification of what she means by “consenting families.” Ms. Hutchinson said that with consenting families, they go home to home, explain the project to parents, and ask permission to collect data on their children. She said PALs is a literacy assessment undertaken in the public schools from pre-kindergarten to third grade. She said they are encouraging private providers to also administer the PAL, adding that with consenting families they can obtain much richer data.

Ms. Palmer asked when the process of receiving consent from parents began. Ms. Hutchinson said the agreement was signed last year and they just began receiving data a few weeks ago.

Mr. Paige asked if the children not being served are concentrated in a certain area of the County. Ms. Hutchinson responded that not all of the elementary schools have a Bright Stars program and some of them do not have sufficient classroom space, so it is a combination of these two factors.

Dr. Acuff stated the Woodbrook Elementary expansion includes the addition of four pre-k classrooms. She noted an evaluation of the extended-day enrichment program including pre-k was recently conducted, and she was struck by the data showing concentrations of poorer students in certain schools. She suggested that, in addition to looking at pre-k, they should look at the extended day program. Ms. Train said they do have some limited extended day program participants with the scholarship program, but the funding is limited and is not enough to accommodate the need.

Dr. Acuff said the data showed schools with the greatest number of children in pre-k had a dramatic drop-off in extended day participation. Ms. Train emphasized that they are only in year one of a longitudinal study, which will help them determine which combination of services works best.

Dr. Moran said the United Way has been an incredible leader in convening local governments and people from all over the state, including the Early Childhood Foundation led by Kathy Glaser. She praised them for presenting to the Boards today and sharing everything they are doing. She thanked the members of the Boards for their support.

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

Agenda Item No. 4.1. Adjournment.

At 4:21 p.m., hearing no objections, Dr. Acuff adjourned the meeting of the Albemarle County School Board.

Chairman

Clerk