A joint meeting with the Albemarle County Board of Supervisors was held on October 21, 2020 at 1:30 p.m. via Zoom, Charlottesville, Virginia 22902.

SCHOOL BOARD MEMBERS PRESENT: Dr. Kate Acuff; Ms. Ellen Osborne; Mr. Jonno Alcaro; Ms. Judy Le; Ms. Katrina Callsen; Mr. David Oberg; and Mr. Graham Paige.

SCHOOL BOARD MEMBER ABSENT: None.

SCHOOL BOARD STAFF PRESENT: Dr. Matt Haas, Superintendent; Ms. Rosalyn Schmitt, Chief Operating Officer; Mr. Ross Holden, School Board Attorney; and Mrs. Jennifer Johnston, Clerk of the School Board.

BOARD OF SUPERVISORS PRESENT: Mr. Ned Gallaway, Ms. Beatrice (Bea) J. S. LaPisto-Kirtley, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, Ms. Liz A. Palmer, and Ms. Donna P. Price.

BOARD OF SUPERVISORS ABSENT: None.

STAFF PRESENT: County Executive, Jeffrey B. Richardson, Deputy County Executive, Doug Walker, County Attorney, Greg Kamptner, Clerk, Claudette K. Borgersen, and Senior Deputy Clerk, Travis O. Morris.

Agenda Item No. 1.1. Call to Order.

The Albemarle County Board of Supervisors was already in session. At 1:30 p.m., Mr. Paige called the Albemarle County School Board to order.

The meeting is being held electronically pursuant to Virginia state law and Albemarle County ordinance because the Covid-19 pandemic makes it impracticable and unsafe to assemble a quorum physically in a single location. The meeting is being streamed live on the Albemarle County Public School's website, and public comment may be offered through the Zoom waiting room feature in accordance with the School Board's protocol or by written submission.

Agenda Item No. 2.1. Joint Meeting with the Board of Supervisors.

The Executive Summary forwarded to the Board states that, In the fall of each year, the Board of Supervisors and School Board meet to review financial information prior to the annual budget process and gain an understanding of the Human Resources Department's annual compensation market and benefits information.

The fall long-range financial process has been streamlined this year due to the pandemic. Rather than having a number of joint work sessions this fall, on October 21, the Board and the School Board will:

- Review preliminary financial information for FY 20 year-end, and receive initial FY 21 and FY 22 revenue projections information, in the context of the pandemic
- Discuss the Capital budget in context of affordability constraints
- Receive an update on compensation and health care benefits
- Receive information regarding next steps in the process

This meeting will provide context and direction for the annual budget development process.

Staff recommends that the Board of Supervisors and the School Board utilize this work session to gain an understanding of the current financial picture, discuss affordability and the Capital Budget, and receive an update on the compensation market the County's health care program.

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Mr. Gallaway welcomed School Board Chairman Graham Paige and the School Board members.

Mr. Paige said Ms. Judy Le and Ms. Ellen Osborne were two School Board members who were new to participating in a joint meeting with the Supervisors.

Mr. Gallaway handed the meeting over to Mr. Jeff Richardson, County Executive. He said while the 2.5 hours planned seemed like a long time, it would be fairly regimented.

Mr. Richardson said he was excited to see friends and colleagues there on both the School Board side and Local Government side. He said he is reminded how blessed they are as a community to have such a talented and devoted group of employees who work tirelessly for the betterment of the community.

Mr. Richardson welcomed new board members. He said he was reminded of November 13, 2019, when the two boards gathered together in Lane Auditorium for a joint work session. He said he looked back at that agenda, which was set to look at five-year revenue assumptions, five-year CIP planning, and five-year compensation and benefits assumptions. He said as appointed board members and appointed staff who work in professional capacity, they were trying to look ahead at the future community needs and predict where the biggest opportunities and issues were that needed resources and attention.

Mr. Richardson remarked on how things have changed. He said that day was the 225th day of the global pandemic and the associated national, state, and local level of emergency. He said at some point in time, the budget had been put together by Dr. Matt Haas and his team, as well as himself and those who worked with him and the Board of Supervisors. He said the title of the budget had been, “Expanding Opportunity.” He said he remembered several months after the November meeting being at Martha Jefferson Hospital with Dr. Haas and his team, who were holding a community meeting. He said they were talking about what “expanding opportunity” meant. He said the boards had worked so hard to set the stage for the future and strategize in a joint effort to look at both local government and school needs.

Mr. Richardson said on March 12, things changed in a dramatic way. He said he was now looking at the budget they ended up adopting several months later, which was titled, “Respond, Recover, Recalibrate.” He said they coined the term “3-6-6,” which is a budget planning model and a way of thinking of where they were, which was in the last three months of FY 20. He said the 12 months they are currently in were split into six-month sections, and that this was done because they were trying to divide the crisis into bite-sized portions in order to determine how to navigate the unknown.

Mr. Richardson said they have pivoted as a community and an organization and that now, the team will work with both boards to try to pick up where they left off and to [inaudible] the leadership to where they were, where they are now, where they are going, and what they have learned since the March-May timeframe.

Mr. Richardson said things were being viewed now through a leadership lens of what they learned. He told the boards that it was not back to “business as usual.” He said as the budget had been coined, “Respond, Recover, Recalibrate,” they have not recovered and have not been able to recalibrate. He said part of this has to do with the structural damage done to the economy.

Mr. Richardson said a year ago in November, the County was continuing to enjoy a level of local economic vitality that suggested there was a very strong local economy. He said they were building on this base to make plans for the next five years. He said they were not back to the point to be able to do that presently.

Mr. Richardson said the County’s new CFO, Ms. Nelsie Birch, would be giving the presentation and with the help from a number of people from Schools and Local Government, they will try to navigate for the boards what they have learned and set the stage for where they are. He said they do have opportunities for moving forward, but those opportunities are grounded in a world of unpredictability.

Mr. Richardson turned over the presentation to Ms. Birch. He thanked Dr. Haas and his team for the collaboration and coordination with the staffs.

Ms. Nelsie Birch, Chief Financial Officer for Albemarle County, said she was privileged to be in front of both boards. She said although she would be leading the discussion, she was there with the help of many people. She said she was in the fourth month of being in her position and that there are many people both on the Schools side and Local Government side to get them where they are today. She said she is very pleased the with support she has received since she started in June.

Ms. Birch said she would be joined specifically by Ms. Lori Allshouse and Mr. Andy Bowman, both of whom have been with the boards through many budget exercises over the past several years.

Ms. Birch said she wanted to spend a moment reviewing what the boards would be hearing that day and set the stage. She said as Mr. Richardson indicated, a year ago was a very different time. She said the boards were sitting around various tables at that time, engaged in dialogues about priorities, capital projects, employee compensation, and benefits. She said all of this was grounded in that economic stability, economic vitality, and financial foundation that could support those priorities.

Ms. Birch said the approach has changed, and must change, because the world has changed. She said while there are some similarities in the structure the boards would see with respect to the meeting and the discussion that day, the boards being together virtually but not in person is a reflection of that change.

Ms. Birch said the agenda was presented on the screen, noting that they were trying not to be too content-heavy, particularly as they are just beginning the FY 22 budget process. She said she would pause between each section to allow the board members to ask clarifying questions. She asked the board members to wait until the end to have the full discussion, which would be led by Mr. Gallaway.

Ms. Birch presented on the screen a high-level timeline. She said the orange arrow at the top left of the slide indicated where they currently were on the timeline. She said there will be upcoming work with respect to work sessions in the coming months.

Ms. Birch said one of the nuances to where they are currently is the fact that not only do they have to consider FY 22 and the budget development that happens there, but as Mr. Richardson indicated, some things were left undone in FY 21 because they did not adopt a five-year CIP. She said there was a recommended budget that had to be dramatically shifted and changed, and much of that was about pulling back on the operations side and pausing capital projects. She said because of that, there are FY 21 delayed or paused projects that need a decision. She said there are also projects that were not brought forward from FY 20 that there needs to be a discussion about, and the boards need to work towards a pass-forward for those.

Ms. Birch said the School Board started some work in September and had a great discussion. She said in November, there will be a very similar structure for the Board of Supervisors to speak more specifically about the capital plan and projects that are delayed or suspended and decisions that need to be made.

Ms. Birch said each board will have a moment in time to reflect and provide guidance to the Advisory Committee, which will come together shortly after the November 18 work session on capital. She said they are currently working on some dates with the committee. She said the Advisory Committee is made up of two School Board members, two Board of Supervisors members, a Planning Commission member, and member from the public at large. She said they have been working behind the scenes to make sure all those positions are filled as there had been some shifts, particularly with a Planning Commissioner and a School Board member.

Ms. Birch pointed out that because there is a unique situation where FY 21 was left somewhat undone, the boards need to have an opportunity to decide if they want to move some projects forward (or appropriate some additional funding) in FY 21. She said on the presented timeline, there was consideration for having the Advisory Committee provide their recommendations to give the School Board time (as there are some rather large projects that were paused or not carried forward from prior years) to decide if they want to request an appropriation in January for some of those projects so they can go forward with the operational timing they need to get some of those projects done during the summer months.

Ms. Birch said they are currently working with both Board Clerks to try to find a joint board meeting in January to have a discussion about compensation. She said Ms. Lorna Gerome will lead the group into what they know now and the areas of focus, but once they receive the real estate information and understand more about the revenue structure, there may be an opportunity to come back and have both boards discuss where they want to be on compensation for the FY 22 budget process.

Ms. Birch said she would turn the discussion over to Ms. Gerome, who would take the group through the compensation and benefits update.

Ms. Lorna Gerome, Director of Human Resources, said compensation and benefits are both critical aspects of the County's ability to attract and retain talented staff.

Ms. Gerome said the intent was to provide an update on the current state of compensation and share some information around the benefits plan, as well as answer questions. She said there were about 30 minutes allotted for this portion, and so she would cover the presentation and answer any questions before moving onto the next section.

Ms. Gerome said she was joined by subject matter experts Ms. Claudine Cloutier (Benefits Program Manager) and Ms. Dana Robb (Program Manager for Compensation and Rewards).

Ms. Gerome said many of the board members are familiar with the information Human Resources brings to them every fall as budget planning begins. She said generally, July is the month when other localities and school divisions offer their salary increases. She said over the summer months, Human Resources staff collect this salary data. She said there is a defined market they collect information from, which includes 26 school divisions and 27 local governments as well as several other local employers.

Ms. Gerome said they get this information and assess where they are relative to that market in two different ways. She said they do this for classified employees, meaning all employees who are not teachers (e.g. police officers, clerks, department heads, principals, and IT staff). She said what they found this year is that while they did not provide an overall salary increase, the market did not either and thus, their market position did not change relative to the classified employees.

Ms. Gerome said with regard to the teachers, the same was true. She said they surveyed the information on teacher scales from the adopted market and indicated that they met their target there as well. She said their target for teachers is to be in the top 25th percentile, and the data collected that year showed that they reached this as well.

Ms. Gerome said although they did not provide overall salary increases, they maintained their market positioning for both classified employees and teachers among the adopted market.

Ms. Gerome said generally at this time of year, Human Resources brings projections forward to the boards, using the Compensation Association's "World at Work" projections because if they go to ask other localities what they are planning to do, it is far too early, and no one has a sense yet. She said they therefore use this association to bring forward projections.

Ms. Gerome said this year, World at Work has delayed their projections due to the pandemic, and so she had no projections to share. She said this was why they were calling this update the "current state" or a snapshot of where they currently are.

Ms. Gerome said one thing that is known is that when there are times when salary increases are not given, it can result in compression. She said Human Resources will be monitoring this, looking at some solutions, and monitoring what the market is doing over the next couple of months so that when they come back in the winter, there will be more information on compensation.

Ms. Gerome said she wanted to turn the attention to the self-funded health plan, noting that she had some great news to share. She said there is a self-insured health plan so that the contributions (both from plan members and boards) go into the fund. She said claims are paid out of this fund, as well as administrative costs to Anthem (who is their current vendor), stop loss, wellness, and reserve. She said there is a good cushion reserved that will now allow for some of this good news. She said experience and performance continue to be favorable.

Ms. Gerome said in terms of managing the plan, staff knows that health insurance is a valued benefit for County employees. She said staff works hard to offer affordable choices that employees and their family members need. She said staff also wants the choices to be focused on ensuring that employees take care of themselves, and so they offer a variety of wellness programs in addition to health insurance.

Ms. Gerome said the County has had the same two programs with its health insurance for a number of years. She said in 2020, they had an extremely favorable renewal with Anthem, as well as significant savings with the prescriptions, as they were able to negotiate some cost savings related to the prescriptions that have resulted in a good savings for the County.

Ms. Gerome said some of the wellness programs the County has focused on in 2020 have been directed towards mental health support. She said it is known that based on increased Employee Assistance Plan usage that the employees are using that benefit. She said the EAP offers counseling for mental health, financial, and legal issues, and so the County increased the number of visits to encourage employees to take advantage of that.

Ms. Gerome said they have also continued with a variety of wellness programs to meet different employees' needs, whether it is physical (such as Connecting Communities 5k Walk-Run they did last fall, in partnership with City schools) or delivering fresh produce from local farms to homes and ensuring there are vaccination clinics at convenient locations for the employees. She said they also offer activity trackers and Weight Watchers rewards.

Ms. Gerome said COVID-19 presented new challenges for the plan, and staff wanted to make sure that employees and plan members are able to get the services they need without any additional costs. She said in the spring, they implemented additional program changes to the plan so that all COVID-19 costs would be covered for covered employees and plan members to avoid any out-of-pocket costs, whether for testing or hospitalization.

Ms. Gerome said additionally, staff knew that many employees were not comfortable going into a facility, and so they waived the tele-health copay so that employees would be encouraged to get the healthcare coverage they needed virtually. She said they plan to extend those benefits through the next plan year, which starts in January 2021.

Ms. Gerome said even with those additional plan enhancements that were made relative to COVID-19, they have had reduced claims partially related to COVID-19 due to many of the elective coverages or surgeries that employees and family members did not see that year, resulting in some plan savings.

Ms. Gerome said the good news she was able to deliver was that for the plan year 2020 (the current year, which will end at the end of December), they will have some premium relief for plan members for two months. She said although they did not know exactly what this will look like yet, it will put a little extra money back into employee plan members' paychecks. She said she was excited to share that news.

Ms. Gerome said additionally, for the year going forward (beginning in January 2021), the County will not increase premiums for their plans. She said this is significant because it is the second year in a row that they have been able to hold their premiums steady so that additional premium costs are not passed onto employees. She said they are adding some minor plan enhancements and continuing with their wellness initiatives for the upcoming plan year.

Ms. Gerome concluded her presentation and offered to answer questions.

Mr. Gallaway said they would start questions from each board member, starting with Mr. Alcaro from the School Board.

Mr. Alcaro said it was wonderful news about there being no premium increases and about the premium relief for a couple months, as well as the benefits regarding COVID-19. He thanked Ms. Gerome and her team for their work.

Ms. Mallek said she felt Ms. Gerome's pain because she is very nervous, as they are at this time every year, with there being questions about saving versus not, and also with not knowing what will happen. She thanked Ms. Gerome for her work.

Ms. Price thanked Ms. Gerome for the presentation. She said she would remain open to consideration of compensation changes in 2021, although as Ms. Gerome mentioned with the pandemic, everyone has concerns about what might be affordable. She said she is extremely pleased with the information Ms. Gerome provided about the healthcare.

Ms. Palmer said as she recalled, Ms. Gerome had predicted a 7% increase in the premiums last year. She said if this were the case, she was confused on how they did so well. She asked if Ms. Gerome could explain how she had come up with the 7% increase last year.

Ms. Gerome replied that there are a couple of factors that play into that, as well as the reserve amount. She said she would ask Ms. Claudine Cloutier (Benefits Program Manager) to address this question.

Ms. Cloutier said the big picture was a lack of claims. She said COVID-19 seriously affected people's ability to do optional procedures. She said for a while, there was nothing but emergencies taking place in hospitals, and so anything that was considered elective was pushed off, which lasted for several months. She said the combination of that change to the expected behaviors in the year and the pharmacy savings put the County in its current position.

Ms. Palmer asked if given that much of the savings were from elective procedures that were put off, they should expect that more elective procedures are being done.

Ms. Cloutier replied yes. She said their consultant built into the model that they would have higher use of these elective procedures than they had seen in 2020, and that this was reflected in the recommendations.

Mr. Paige thanked Ms. Gerome for her and her department's work.

Ms. McKeel said she is appreciative of an increased focus on mental health, as this is very important at this time. She said she is also appreciative of the negotiations that changed the pharmacy drug prices, as this is where she thinks they are seeing lots of increases. She said this was great news to hear. She said she can remember there being double-digit increases of 12%, 13%, and 14%. She said while 7% or possibly 8% is a significant increase, the County is doing a great job with this, and the employees are doing a great job with the wellness program.

Ms. McKeel said at one point, Human Resources had talked about switching to another area of the World at Work. She asked if they are still using the same area they have always used, or if they were looking at going with the northeastern area or another.

Ms. Gerome replied that Human Resources is still using the same area. She said they use the eastern area because Virginia is there. She said when this was shared before and when it was realized that Virginia is in that region, the Board said they should stay there.

Ms. McKeel said the eastern region did seem appropriate. She said at some point, perhaps they were talking about the southern region.

Ms. Gerome said this was correct. She said the eastern region had some states that had some unions, and staff thought this might be impacting the projections.

Mr. Gallaway turned the meeting over to Ms. Birch again.

Ms. Birch thanked Ms. Gerome for her presentation and for sharing some good news. She said while the presentation was not about good or bad news, the foundation would be reality and affordability. She said there would not be much uplifting information they would provide, and so she apologized for that.

Ms. Birch said last year, the economy was very sound, and even soaring in many areas. She said when the boards met, it allowed them to devote significant time to not only prioritizing projects that were of importance to each board member, but also identifying and dedicating additional tax revenue to support that effort. She said what they would see and be discussing that day is that the environment is very different, and it is requiring them to do things differently – to adjust and simplify their approach.

Ms. Birch said that as just seen from Ms. Gerome, they pulled back on the World at Work survey because there is a very evolving environment with not much to report at the moment. She said many board members are used to seeing a five-year financial plan when they begin the budget process, particularly on the capital side, which helps inform how they are going to afford the capital investments they will make. She said they were not providing that this year. She said at the end of the day, there was not much comfort in how valid the information would be because the world and the environment are so unknown at this point.

Ms. Birch said much of the information in the presentation would be around some of those areas of unknowns that is causing the County not to be under "business as usual," about questioning the assumptions that go into the revenue forecast and budget development, and to share that information with the boards as they plan for FY 22. She said FY 22 will be difficult to prepare for and that they would share a number of reasons for that in the presentation.

Ms. Birch said one of the interesting things she thought through is that FY 21 was developed at a time when the budget was presented and there was an emergency and crisis that required very different, swift action. She said this is the budget they are living in now, which impacted FY 20. She said as they pivot and shift to FY 22, this is actually the new reality. She said they have time to think, prioritize, plan, and do things differently and that much of what the boards would see with the process and approach is reflective of that. She said hopefully, both boards will see the value in that and also understand the real challenge that they are under as they lead into FY 22.

Ms. Birch said the bit of good news she had is that they did not have to develop the budget that day. She said as they continue to move forward, more information will become available that will help to inform the decisions they will need to make for FY 22 and guide towards that new reality. She said it does not have to be the same situation they were faced with in the spring, when they had to make very quick decisions.

Ms. Birch said the desired outcomes for the presentation were to review information and have a discussion with the boards about some questions (presented on the screen). She said although staff was not sure if these were the right questions, they wanted to give the boards something to think about as they run through the presentation. She said they would love to hear from the board members about how their awareness, approach, or thought process about the capital program has changed. She said each member has a very different perspective, function, and area of specialty, and so this was one area believed to provoke some good conversation.

Ms. Birch said related to the process, for those who were on either of the boards in 2019, it was a deliberate, intensive process for planning for capital last year that resulted in some good conversation and prioritization, as well as the identification of additional revenues to support the capital plan. She said this year looked very different, as the process has been simplified. She said they are not looking for new items to be prioritized against, which automatically changes things. She said staff wants to hear the board members' thoughts and concerns not only on that process, but some initial revenue assumptions that have been included in the coming slides.

Ms. Birch said how they shaped the presentation was really from three pieces: where they were, where they are now, and where they are going. She said one of the reasons why they want to reflect back is because it is not often that there is a situation everyone was faced with in the spring where everyone had done their prioritization, development, and planning. She said both boards were considering the recommendations of both budgets that were presented and recommended to them. She said they all had to completely change course in the middle of a budget process, and they had an emergency that required them to take very swift action.

Ms. Birch said there some decisions that were left undone, and so they need to understand and provide to the boards through the process an avenue to make some decisions on things that they had to be pulled back on, particularly related to the capital plan.

Ms. Birch said where they are now is important because it will help ground them into what they know, where they are comfortable with moving forward on things or not (like taking on debt or expending capital plan cash), and frame some of the uncertainty leading into FY 22.

Ms. Birch said what is also important is where they are going, and so they must ground themselves into some decisions that needs to be made. She said there is a process for the next few months and they also have to develop a new budget. She said they will spend some time going through the process to make sure it gives enough time and deliberation related to the final adoption of the FY 22 budget.

Ms. Birch said as Mr. Richardson indicated, there was a "3-6-6" strategy. She said she would go quickly through this strategy, noting there were some painful discussions and meetings that happened in the spring. She said the slide on the screen showed what Local Government and Schools had to do in April of 2020, when they realized that the pandemic was changing the world.

Ms. Birch said the bullet points on the screen were developed collectively between both Local Government staff and Schools staff. She said everyone had to do these things and that there were impacts to all of this, whether operational, an impact to the customer, or an impact to the future because they had to delay some capital projects that would have ordinarily gotten off the ground sooner.

Ms. Birch said these efforts helped manage the FY 20 budget. She said they had put out some initial budget information related to FY 20 that showed that they kept and maintained their solid financial foundation, and that this did not erode in 2020. She said they could have if they had not taken such swift action and made solid decisions on reducing expenditures to reflect the change in the revenue forecast.

Ms. Birch said they were currently in the middle of the audit and that the final numbers will come out at the end of November, to be presented to the Audit Committee and then to the Board at the beginning of December. She said in 2020, they were able to hold their solid financial situation, as one would expect from a Triple-A-rated County such as Albemarle.

Ms. Birch said Mr. Bowman would be talking more about how they are managing through FY 21. She said there was a fiscal crisis because there were so many unknowns, and at the time, they had the "3-6-6" posture they were going to reevaluate and make decisions with once they knew how the last quarter of FY 20 ended. She said they are in the middle of the second "6" in the process, and so Mr. Bowman will talk about FY 21.

Ms. Birch said before doing so, she wanted to share a reminder about the capital budget. She said the boards would be seeing more information provided by staff at the next few meetings, including the one on November 18 with the Board of Supervisors and the one with the Capital Advisory Committee.

Ms. Birch said one of the reasons why decisions were made in April about the capital budget was not necessarily because there was an affordability concern at the time. She said based on the formula that Mr. Bowman would review momentarily, the capital budget and funding are protected. She said what was really the driving factor was the instability in the bond market. She said the financial advisors at the time were telling them they were not sure they could access it, and so if they were to start spending and need to replenish their reserves, they may not be able to do that.

Ms. Birch said this is where they were in April, and that this was setting the stage for where they were. She said she wanted to now transition into where they are now. She said they are absolutely still in an emergency and that this is becoming their new reality. She said they have shifted and are adjusting their service delivery. She said there are still decisions that need to be made in terms of when to reopen the office buildings. She said the schools have their own decision making that needs to happen.

Ms. Birch said the last "6" on the slide was left off purposely because what they now know is that this pandemic is not going to be over anytime soon. She said it could be another 6-12 months, and they are not really sure. She said this is why they have to pivot towards and plan for a new reality. She said what decisions and priorities are made will likely change because of this, and they want to make sure that they set up FY 22 to help them pivot into this new reality so they can get back to the strategy they need to get to in order to know where to go in the future while also keeping their solid financial foundation that they have built over many decades.

Ms. Birch said the next slide talked more about the prolonged uncertainty. She said COVID-19 has been a "doozy" in every sense of everyone's lives. She said in her lifetime, it was the only thing she could think of that has impacted every person globally, both professionally and personally. She said this has its own impacts on local government.

Ms. Birch said the other piece of what is so interesting and challenging for Albemarle County is that not only is this unprecedented pandemic a global one, but the County has largely been recession-proof. She said from looking at any of the reports from the credit rating agencies about Albemarle County is that they are largely insulated due to the higher-education community.

Ms. Birch added that the County also has a research institution for which UVA is world-renowned, as well as an academic medical center. She said as Ms. Gerome mentioned, people are not going to the doctor or hospital, and claims are down. She said this may be good for the County on the employer side, but not necessarily great news when it comes to the impact on the local economy.

Ms. Birch said even with this prolonged uncertainty and instability, the real estate economy is still moving and functioning, and definitely not the same as it was in the recession 10 years ago. She said staff is looking at the information coming through on the consumer-based taxes, and that it tells them that they do not yet know where rock-bottom is. She said they certainly do not know what will happen with the hotel and restaurant economies as they move through the winter months and continue to experience uncertainty and instability.

Ms. Birch said that while the capital budget was the focus of the presentation, she wanted to remind the boards that it was largely insulated due to how the formula works with the revenue structure. She said it comes off the top. She said what she wanted the boards to be mindful of is that there was an appetite a year ago to dedicate additional resources to build things and do more.

Ms. Birch said over the next 4-5 months as they go through the budget deliberation and the boards think through what is next, there is also an impact on the operational side. She said each of the General Funds comes after the capital budget, which comes off the top. She said the impact of some of the revenues is that this is where the people are funded who are needed to actually execute on these capital projects. She said they have to watch for the capacity to be able to afford the build that they want to do on the capital side, which is where the two come together.

Ms. Birch said this is a strange, but awesome, thing that capital is protected. She said this is something that the County said they wanted to be sure they can continue to do, but at the end of the day, they also have to look at the impact on that protection when they are in a shrinking revenue environment and their ability to actually move on, staff, and pay for those projects from an operational perspective.

Ms. Birch said the next slide was called "Resiliency in Action," which plays to the odd time they are in. She said this is not supposed to be congratulatory, but is intended to say that they were forced into a resiliency situation because they had to. She said the County is still in that situation. She said in the spring, when they knew the pandemic was happening, there was an operational emergency where the County had to enact laws and make decisions about people, both on the School Board side and the Board of Supervisors side.

Ms. Birch said the County also received millions of dollars from the federal government that they had to enact on quickly. She said they not only had to spend the money, but do it in a way where they protect their financial foundation. She said they do not want to give it back, nor do they want to pay, if they mess this up. She said from an operational perspective, all of this is diverting the attention of the staff needed to run some of the other priorities.

Ms. Birch said the resiliency came from a necessity. She said looking at this from a financial lens, there was no doubt that the County is a Triple-A community because they have a strong foundation, a community that has largely been resilient to economic recessions, and were able to quickly pivot with teleworking while still meeting customers' needs. She said she was speaking more to the Local Government side than on the Schools side with respect to that. She said this is something they are dealing with now as they transition into the new reality.

Ms. Birch said she would turn the presentation over to Mr. Andy Bowman, Budget Chief, who would walk through some financial results and analysis and talk more about FY 21. She said they would then move into the capital discussion that Ms. Lori Allshouse would lead.

Mr. Bowman said his first slide continued the theme of what the County knows now and what they will be learning as they head into the future. He said this was a slide that was shared with the Board of Supervisors as a part of their October 7 meeting. He said the numbers on the slide were unaudited FY 20 numbers and although the audit would not be complete until December, these should be very good indicators of where they will actually end up.

Mr. Bowman said the slide also showed the four major categories of revenue coming into the General Fund. He said these are local revenues from real estate, local personal property, business-driven revenues (which include taxes such as business licenses), and consumer-driven revenues (which include items such as sales tax, meals tax, and transient occupancy taxes).

Mr. Bowman said one number that was not on the screen that was meaningful is if they look at the total actual revenue received by the County in FY 20, it exceeded the FY 20 budget by about $327,000, or one-tenth of 1%. He said this is the smallest margin coming out on the positive.

Mr. Bowman said one conclusion one could make by looking at the numbers is to say that the pandemic did not have an impact on revenues, since they came out okay. He said this was certainly not the case, and that the pandemic clearly did have an impact as they went through the year. He said there were three quarters in the first part of the fiscal year that performed very well and strong, with the last quarter being a dramatic change. He said to illustrate this, he would focus on the consumer-driven revenues.

Mr. Bowman said the next slide showed a subset of what they call "consumer-driven revenues," or sales tax, food and beverage tax, and transient occupancy taxes. He said going through the year, Quarters 1 through 4, beginning in July September and ending in June, the orange line on the graph represented FY 19 and the blue line was FY 20. He said what they could see was that in the first three quarters, FY 20 exceeded the performance of

FY 19, and that this was especially true in the second and third quarter. He said the dramatic change, as one would expect, was in the fourth quarter, indicated by the trend shown on the graph.

Mr. Bowman said board members may be thinking, "Where are we now, and what do we know?" He said he would cover this momentarily.

Mr. Bowman said as they pivot to where they have been and what they know now to where they are going, he would hit on some high points of what the process is when staff develops the revenue forecast. He said this is prepared by the Department of Finance and Budget, particularly with significant input from the Budget Division, Real Estate Division, and Revenue Administration Division.

Mr. Bowman said the amount of input that the organization puts towards the revenues is very wide through departments and deep for those working closest to this on a day-to-day basis. He said to get a sense of what is happening in the local economy, for instance, they receive input from the Community Development and Economic Development staff who are working with this on a more regular basis; from departments where there may be more specific program-related items (such as Parks and Recreation, where their fees tie closely to how their programs are being provided); and from the Department of Social Services, where state and federal revenue are intertwined with the programs they provide.

Mr. Bowman said the primary tools include trend line analysis and the institutional knowledge he just referenced.

Mr. Bowman said he mentioned how close last year's performance was to the budget. He said going back several years, the results of the actuals compared to the forecasts are well within the guidelines set by the Government Financial Officers Association, which is a national organization of financial professionals. He said for a total fund level in the General Fund, this would be within about 2%.

Mr. Bowman said as Ms. Birch mentioned several times, they are in unprecedented times with the COVID-19 pandemic. He said he would share where the County is heading in FY 21 with their revenue management.

Mr. Bowman presented a slide, noting that he broke it out into what they know on the left, and what they do not yet know on the right. He said what they do know is that they have something very helpful: about 7 months of data that they did not have when they put together the new FY 21 budget. He said some of the revenues they thought may be impacted by the pandemic have been confirmed, and that they also know to date what the impact has been. He said they have known that other things may look relatively steady.

Mr. Bowman said that as a counterpoint to that 7 months of data, they do not yet know what the "new normal" looks like for economic activity in FY 21. He said while they do have 7 months of revenue data since the start of the pandemic, the data that they have in their current reopening is much more limited. He said this is true in any year where the revenues they are collecting in one month are usually based on the data that is happening in the month or two prior. He said the sales tax revenue they receive from the state in October, for example, is based on a lot of activity that took place in August. He said there is always a delay that they are having to deal with, and this becomes even more meaningful in the current year as they are adjusting to the economic environment.

Mr. Bowman said there were impacts from the pandemic on certain revenue sources, relating to what he referenced earlier in terms of consumer-driven revenues. He said he would not share numbers that day because on November 18, the Board of Supervisors would receive a financial report for the first quarter that will include numbers for the some of the things that are currently being studied. He said what he could share now is that in general, sales tax received a blip in the spring of 2020 during the various phases of lockdown. He said looking at what has been posted in the summer and fall, this is tracking very closely to the revenue they were receiving in FY 20 a year ago. He said while there was certainly a blip, it is relatively steady.

Mr. Bowman said the chart on a previous slide had shown the transient occupancy tax, hotels, and food and beverage tax. He said comparing where they are now to where they were at this time last year, those revenues are significantly below where they were. He said those revenues how improved from where they were in the spring, however, in terms of where that collection was year to year. He explained that if last year's number was high and the number from spring was low, they are currently in the middle.

Mr. Bowman said what they do not know yet and are beginning to study is beyond just looking at the numbers on the page, what the questions are that they need to consider to try to determine where they are going. He said with the "new normal," they do not know if they are in it already, or if they are still getting there. He said when thinking of the food and beverage tax, for example, the question is what will happen in the winter when restaurants may not be able to use the outdoor space they are leveraging for additional operations, and what impact this will have.

Mr. Bowman said another question is what the impact will be from some of the federal CARES programs led by the Office of Economic Development to support businesses through the trying times and put them in a position to succeed.

Mr. Bowman said the big question they are watching closely is what UVA's plans are, particularly when thinking about large athletic events and other events that bring people to the area. He said if they are happening, they are doing so in a very different way than they did in the past. He added that whatever the fall may look like may be different than the spring.

Mr. Bowman expressed that he was not trying to create a sense of dread, but wanted to share some of the things that staff are wrestling with as they navigate these unprecedented times.

Mr. Bowman said there is an adopted state budget and that typically when the County adopts its budget in May, the state budget usually follows a little later. He said while there is a lot of information, staff has had to take somewhat of an educated guess. He said they do have new data in terms of what actually happened when the state budget was adopted in the spring.

Mr. Bowman said that as a counterpoint to that, what they do not yet know is that the General Assembly is currently meeting for a special session in the fall, and he understands from reports in the last several days that the House of Delegates and Senate have likely reached a compromise in the budget, but will still need to go through the remainder of the budget process with the Governor and General Assembly. He said this may have impacts, and there also may be some impacts when the General Assembly convenes during its normal session in January, which would be true in any year, but that especially with all the heightened uncertainty in the pandemic, they will want to watch this closely.

Mr. Bowman noted that there are specific impacts to the School Division. He said he would ask Ms. Rosalyn Schmitt from the School Division if she would like to share her thoughts.

Ms. Rosalyn Schmitt, Chief Operating Officer with the School Division, said she wanted to briefly comment on what they currently know with the state budget, what they do not yet know, and the impact on schools. She said the good news is that the official state forecast for sales tax revenues do look better than what the Schools had forecasted when they developed their FY 21 budget.

Ms. Schmitt said what they do not yet know is the impact on enrollment. She said they know the enrollment this year is about 1,000 students fewer than what they had projected, which may result in a decrease in state funding, and the order of magnitude around $3 million. She said what they know is that they are not unique in that situation, and there are school districts across the state that have experienced the same decline. She said legislators are holding discussions around a "hold harmless" bill, which would translate to essentially keeping school districts whole, even in cases where enrollment has dropped. She said this is something they do not know yet but will be monitoring closely.

Mr. Bowman said in terms of what they know, one thing that only applies to FY 21 is the CARES funding. He said this is short-term support of about $19 million of federal revenue that the County has received related to Coronavirus relief efforts. He said this revenue is not available to supplant lost revenues, but much of the money is going back into the community to support economic development efforts as well as human services and other community needs.

Mr. Bowman said the final thing they do not know yet is that the most significant portion of the County's revenue picture is the real estate tax revenues. He said they will be completing the real estate reassessment in January and are in the earliest stages of kicking off the process, so it would be too early to comment on what that may look like. He said as they get through the fall, they can get a better sense of this. He said across the nation, one thing that has been seen is the change in what commercial office space looks like, which is something staff will be looking at closely.

Mr. Bowman said there is a milestone in December, when they will look at what the collection rate will be during tax collection in December. He said this will be another assumption that will inform as they project what the future may look like.

Mr. Bowman said more information will come on November 18, and that the current presentation was to share staff's high-level thoughts on what they have learned and how they are working through the issues.

Mr. Bowman said the next slide was one that was shared about a year earlier with both boards to walk through, at a very high level, how local tax revenues are shared between Local Government and Schools, and between the capital program and debt service. He said the slide walks through concepts rather than math. He said they publish the full formula and calculation on how it works as part of the budget document. He said staff received some positive feedback from last year, and so he wanted to walk through the concepts quickly, as there were several new faces on both boards.

Mr. Bowman said that Step 1 in the formula is that staff projects what the new local tax revenues will be for the coming year.

Mr. Bowman said Step 2 is they take the total amount and begin to make adjustments for projected committed expenditures. He said these includes expenditures for the revenue sharing agreement with the City of Charlottesville and dedicated water resources funding equivalent to 0.7 cents on the real estate tax rate that was enacted by the Board of Supervisors in the mid-2010s. He said the Tax Relief for the Elderly and Disabled program is also deducted from that amount, as well as tax refunds. He said as Ms. Birch mentioned, the capital and debt service allocation are also "taken off the top." He said the capital and debt service allocation includes both the support for Schools and Local Government.

Mr. Bowman said Step 3 is that, if applicable in the current year, if the Board is considering or approving any dedications of revenue (whether this be to CIP and debt, Schools, or General Government), this would be factored into the formula at that time.

Mr. Bowman said that after all the adjustments, they end up with a remainder of changes to revenue from the prior year. He said of that amount, 40% is allocated to General Government, and 60% is allocated to Schools.

Mr. Bowman said Step 5 adds this amount to the previous year's funding, which is how they arrive at the updated totals.

Mr. Bowman concluded his comments and paused to take any questions.

Ms. Palmer said she saw in the Board's packet on the consent agenda the grant update with respect to the CARES money, and that while it has all been appropriated, a significant amount has not actually been paid out yet. She added that they do not know if a future stimulus check will be coming or not. She asked Mr. Bowman if he could comment on how he expects her first (and possibly second) point to affect the County's outcome, going forward. She said she did not know much about the money that had not yet been spent yet.

Ms. Birch asked Mr. Bowman if he would like her to address that question.

Mr. Bowman replied yes.

Ms. Birch said the County's Interim Deputy CFO from the County Executive's Office, Ms. Kristy Shifflett, is leading that effort, and that what Ms. Palmer was likely seeing was largely a timing issue. She said they plan to fully expend all $19 million by the end of December, and that staff will be coming to the Board during their second meeting in December to fully update the Supervisors on how various initiatives have been funded and how they have played out over the original buckets. She said there were four buckets: Technology, Human Services, Economic Development, and General Government. She said staff does not think that will impact them in the future.

Ms. Birch said they actually have to report monthly to the state as well as to the federal government, and so they are not behind at all. She said they have been looking at reports, and it appears there is a timing issue for governments to rally around what they will do and then to spend the money. She said she believes the County is in a good position, and that staff will come back to the Board in December. She asked if this answered Ms. Palmer's question.

Ms. Palmer said that generally, Ms. Birch answered the question fine. She said she supposed it was difficult to speculate on how a future stimulus package will affect the local economy. She said she was thinking about the business tax.

Ms. Birch said before moving onto the information about capital, she wanted to mention one thing. She said the state of emergency they are currently in is becoming the new reality. She said as she was preparing for the presentation that day, she was reflecting on the Board of Supervisors at their retreat in September. She said she was paraphrasing, but that what the facilitator had indicated was that traditionally strategic plans look far out into the future at what to accomplish in the next 5, 10, 15, and 20 years. She said the budget process gets one to where they want to go with respect to accomplishing the strategic plan goals.

Ms. Birch said now, with this emergency and the challenging times that are ahead, they need to stop and look at what is important now. She said if they are always looking in the future (out 5 to 10 years), they are potentially forgetting about what they need to focus on now. She said she thinks CARES has helped with that somewhat on the staff level with some of the Economic Development and Human Services initiatives that were put forward, which were never envisioned as part of the budget process because it was very reflective of where they are now.

Ms. Birch said going into the next fiscal year, she does think that 2020 will be what they call their "level-setting year." She said they are not in the emergency FY 21 budget that happened at a time when they didn't know the true impact and had to make some swift decisions. She said they are adjusting to the new reality. She said at that point in time, reflective of some strategic planning efforts (including future planning efforts that the School Board is engaging in and that staff will be speaking to the Supervisors about in November), these efforts will definitely play into where they want to go in the future.

Ms. Birch said she is almost looking at FY 22 as a transition year, and that the process Ms. Allshouse would go through momentarily is consistent with that.

Ms. Lori Allshouse said the boards all know that they and staff have been through many changes together, and that Mr. Bowman, Ms. Birch, and others have set them up well for this part of the conversation. She said she would likely go more quickly through her slides, as she wanted to make sure to save time for the Board's discussion.

Ms. Allshouse said she would start with where the County was in the fall of 2019. She said Mr. Richardson shared a good story about that and painted a picture at the beginning of the work session. She said the boards worked jointly together and that it was exciting to see how well they do this, adding that this is needed going into the future.

Ms. Allshouse said the Board and School Board had jointly identified an affordability cap. She said what they decided to do was to start with what they could afford before prioritizing projects. She said prior to that, they would simply prioritize a lot of projects, spend a lot of time on it, then hit the affordability lens and find out they cannot do it all. She said this was a switch in how they look at capital that she thought went well, and they worked very closely together to do that.

Ms. Allshouse said in FY 21-25, they set up a CIP for five years, which included priority projects as well as an assumption. She explained that it all has to be built on an assumption because revenues will always be looked at again, year after year.

Ms. Allshouse said they made an assumption so that they could bring on new projects over the next five years that they felt there was a pent-up demand in the community for, that they would actually build in (only for modeling, at that point) a tax rate increase every year that would be dedicated to capital and debt. She referred back to Mr. Bowman's slide, explaining that this would be a dedication that would come through the formula. She said they would focus the funding that a penny on the tax rate would raise right over to capital and debt. She said this was the plan in the fall of 2019.

Ms. Allshouse said then, everything was put on hold and pivoted. She said as part of that, everyone agreed to put the five-year planning on hold and concentrate almost a year at a time until they can start getting a vision for the longer-term process moving forward.

Ms. Allshouse said when everyone revised their budgets during the second budgeting process of the year, they adopted a capital budget that was much smaller than they had envisioned. She said it came out to about $18.1 million and that earlier, they had envisioned almost $50 million. She said this was about what capital projects they would fund in the current fiscal year, and it was suggested that they make sure to fund their obligations and mandates. She said this is what they will always do first in any budget year.

Ms. Allshouse presented a slide that included information that was provided to Finance's board when they put the budget together for the adopted capital budget in the spring. She said these are the obligations and mandates they will continue to fund.

Ms. Allshouse said there were other programs, and that her department worked very closely with Schools staff and Local Government staff on which programs need to move forward as requested. She said the group on the right side of the screen were the ones that were determined to keep moving for various reasons.

Ms. Allshouse said on the bottom of the screen, the boards would see that these were projects that they wanted to do, but they would have to reduce the amount of funding put towards them.

Ms. Allshouse said one thing that was not on the slide that is extremely important to the capital budget is something called "carry forward." She said most capital projects are not done in one year, but carry from year to year. She said there are carry-forward programs that moved forward as well, which was about $70 million of programs they continue to work on. She said these include Crozet Elementary School Additions and Improvements, as well as Red Hill. She said these had been funded in the past, and it was decided to keep these moving due to capacity issues. She said there are many other programs that were carried forward from prior years.

Ms. Allshouse said they also delayed some projects that are very important. She said they had to delay any of the nonessential maintenance and replacement projects, as well as some of the School Bus Replacement Program. She said also delayed was the ACE (conservation easement) Program, to which they did not add any additional funding, although there was some funding carried forward. She said Bike/Pedestrian Quality of Life has been very important to both boards, and this had to be delayed, as well as the Crozet Elementary School Addition and Improvements Construction.

Ms. Allshouse said additional projects were delayed from carry forward, which were some projects that had been put in motion a few years earlier. She said as Ms. Birch stated, the big issue they had is that they could not borrow funds and had no idea if they could borrow any municipal funds. She said this was the main thing that was making them be very careful of what it was they wanted to step into until they knew if the bond market would become available to them again. She said some other projects that were delayed were listed on the slide.

Ms. Allshouse said this was the picture of where they are today. She said what was important is that they did not simply stop the CIP capital projects. She said they kept some things moving forward, but did delay things that were not essential at the time or things that would require a lot of borrowing. She said she believed they did this well and thanked the Schools staff attending for how closely they worked with her department as they had to make those transitions.

Ms. Allshouse said she would move on to where they will go from here. She said this part of the presentation would focus on the capital program that the boards work on together.

Ms. Allshouse presented staff recommendations on the screen. She recalled the affordability conversation the boards had in 2019, which was based on the modeling assumption of a tax rate increase of a penny every year over the next five years. She said what staff is recommending is to not have a tax rate increase in FY 22. She said given where they are and where the community is, they are recommending starting with the initial assumption that there will not be a tax rate increase for operations or capital.

Ms. Allshouse said there were many things that were paused or delayed that could actually start being worked on midyear. She said staff believes there are some things that do not have to wait until July 1, and that they could do some midyear appropriations and get the projects that were delayed out the door.

Ms. Allshouse said the other thing staff was recommending to the boards was a simplified FY 22 development process. She said this will be focused on the multiyear that was carried forward, the year they are living in today, and what they will do in FY 22. She said they will not do a long five-year plan at the moment, given the uncertainty, and there will be changes that they know of in the strategic plans.

Ms. Allshouse said staff's recommendation is that they return to the longer-term five-year Capital Improvement Plan for Schools and Local Government after they all update their strategic plans. She said the capital plans are always very connected to the strategic plans, especially on the Local Government side. She recommended pausing on the long-term planning and picking it up again once strategic plan conversations have completed.

Ms. Allshouse said as Mr. Bowman mentioned, they do not know exactly how the revenues will play out for FY 22. She said because they want to start soon with the CIP Advisory Committee work and have to start the modeling for the upcoming year, they are starting to identify some revenue assumptions for the capital program. She said what she was happy to say is that, importantly, staff feels the bond market has stabilized.

Ms. Allshouse said they have made the assumption that they will be able to borrow money, and that they will actually be able to borrow it at a lower interest rate than they had planned in the previous models. She said the model has changed, and the interest rates are very important as to how much of that debt service they have to pay in the long term.

Ms. Allshouse said another thing they are planning (which can be updated, depending on how the revenues change) is for the revenue being no-growth, and that they will be the same as the current year for the initial first-line modeling for the capital program. She said as she mentioned on an earlier slide, they would eliminate any dedicated tax rate increase for capital for FY 22.

Ms. Allshouse said what staff is proposing to the boards is that staff would bring together recommendations to the CIP Advisory Committee, which include representatives from both boards as well as others. She said the recommendation would not just be about FY 22, but would be about the current previously delayed or reduced projects and which ones they think they will want to work on in the current year. She said this will be two parts: which projects are delayed that need to be moved forward now to meet some timelines for important summer work, and what projects they propose to put in FY 22.

Ms. Allshouse said staff will have this conversation with the representatives on the Advisory Committee, and then the committee would hear from staff, do all their due diligence, and make their recommendation to everyone for their charge. She explained that the charge of the CIP Advisory Committee is to review and evaluate the recommended capital budget proposal that staff will put together and bring to them, as well as any modifications to FY 22 or the current year. She said part of their charge is to make sure it is aligned with the guiding principles, policies, and priorities.

Ms. Allshouse said the committee will then approve a proposal that meets the affordability requirements and includes information on those projects that were carried forward, paused, or delayed. She said this report goes out to the School Board, Board of Supervisors, the School Superintendent, the Planning Commission, and the County Executive. She said per the processes that have been done over many years, the County Executive will take the Advisory Committee's recommendations into consideration as he and staff prepare the recommended FY 22 capital budget that will be included in the overall budget for the County.

Ms. Allshouse said she would turn the presentation back over to Ms. Birch.

Ms. Birch said she had two more slides before the boards' discussion. She said when they talk about affordability and considerations in front of them, as well as the new reality, the four buckets presented on the slide were what they were thinking about. She said the question is to how each of the four buckets will impact staff and boards' decision making and what assumptions staff will put in the model that they will bring forward to the boards. She said these were what staff see as the considerations as they move into determining how to close out FY 21 in terms of projects and advancing any of those, as well as development of FY 22.

Ms. Birch said they have beat the uncertainty of the economy and economic recovery and talked a lot about this. She said staff has done some initial modeling and determined that they will be able to move forward with some capital projects, but they need to do so with caution and looking through the lens of affordability, as well as with an understanding of operational impacts to that. She said while it is held harmless, there are still some operational challenges that they will face by advancing projects that need to be taken into consideration.

Ms. Birch said the economic vitality has certainly shifted, and they have pivoted from a local business growth to stabilizing local businesses, which is a big shift from a year ago.

Ms. Birch said they have simplified the process and did not ask for new projects that year, nor did they do an "all-call" for new ideas on capital projects. She said they are using the work that was done in 2019 and are building off of that.

Ms. Birch said staff is recommending that they plan for the most austere budget process possible, eliminating and removing a dedicated tax rate, assuming no growth.

Ms. Birch said it was time to pass the meeting over to Mr. Gallaway to lead the boards in a discussion about what they have heard.

Mr. Gallaway asked Ms. Birch to go back to Slide 12. He said these were the questions that staff was hoping each of the board members will respond to. He said he would go through the speaking order and that while doing so, other board members may think of a question or comment. He encouraged the board members to use the chat room to help manage through this to avoid people talking over each other.

Mr. Gallaway started the speaking order with Mr. Alcaro.

Mr. Alcaro said he appreciated what has been said about needing to put in some austere measures in dealing with the County, Schools, and the CIP proceeds. He said he would love to be able to chat more about that.

Mr. Alcaro said Ms. Birch had asked earlier about what some of the thoughts were for CIP. He said as he believes everyone is aware, the Schools (whether for operating budget or CIP) is working on a "needs" basis versus a "wants" basis. He said he completely understands that this is a very different year and is not suggesting that they move forward aggressively in a year like this.

Mr. Alcaro said one thing he would ask for, which he has discussed with Ms. Allshouse (who came back with a wonderful response about it), is he would love for the boards to get back to the process that was described in 2019 where, in May 2019, they had a planning meeting for how the CIP process would work. He said they had their first joint meeting on this in September 2019, and then in October 2019. He said in past years, there has been the point of view that the Schools were not telling the Supervisors in time what the needs would be. He said last year's process fine-tuned that and made it a great process. He said he knows they could not do that in 2020, but that this is one of his wishes for the future.

Mr. Alcaro also asked that there be ongoing communication between the boards about how the process is going and what the strategies are. He said he hoped that the election would help with some changes going forward in terms of points of view for the economy. He said he thinks there could be some big issues there.

Mr. Alcaro said he would like to talk later about the no-tax-increase concept and some of the other things that Ms. Allshouse had presented on one of the slides.

Ms. Mallek said she was trying hard not to immediately revert to 2010, but this was the experience she had to fall back on. She said they survived then, and she knows they will survive now. She said she appreciates all the great caution that is being presented by staff and the way they are going to bank on the work they did in 2019, as there was a great deal of prioritization then.

Ms. Mallek said she appreciates that if there is any loan balance being paid off, it generates some cash that they can then reinvest to that amount and not overextend themselves. She said this may be a place where they can make a small increase in the capital program because in the past, it was devastating to zero out a $100 million capital budget, and that it stayed zero for three years. She said the County is behind right now because that happened, and it seemed like the only survivable thing to do at the time. She said if there is a way to do something tiny that will prevent them from going so far backward, it will be great. She said she will look forward to recommendations and homework from staff.

Ms. Mallek said in 2010-2011, when they had a capital investment committee who made all the decisions, they got much more information than everyone else. She said then, when it came to the budget in February to March, they had to go through it all again because there was tremendous unhappiness with the recommendations that were made. She said people did not feel like they had the proper exposure to the right information.

Ms. Mallek said having this as knowledge, it would be great for staff to think about how they can keep everyone better involved. She said this is a weird year, and it is unfair to expect that two representatives from either of the boards will somehow possess the magic to get this to work out. She said whether they all get to listen in or figure out a way to get the information, notice the meetings, and have a bigger pool of people for ideas, she hopes this is something staff will consider and plan for. She said she did not want to revert to the same issue they had back in 2010-2011, which resulted in many wasted days of work sessions. She said perhaps Ms. Allshouse remembers this, as she was with the County at that time.

Mr. David Oberg, School Board member, expressed that this was difficult for everyone. He said the reality is that they have to accept the circumstances they are in. He said he hoped that they were not back in 2010 and this is not where they will end up. He said if it is, he would simply state the same thing he said in 2010, which is that when the economy is trashed, it is the time to build. He said this is the opportunity when there are contractors who can do things at a much lower cost. He said he knows it is painful to spend money at a time when the resources are low, but from what he has seen, this is usually the best way to avoid problems going forward.

Ms. Price said she wanted to thank Ms. Birch, Mr. Bowman, and Ms. Allshouse for their very informative presentations. She said their discussions of uncertainties, affordability, and resilience were music to her very fiscally conservative ears. She said to answer the first question from staff, she does believe that in the absence of an effective, affordable vaccine quickly becoming available, 2021 may be substantially worse than 2020. She said she greatly appreciates staff taking into consideration these very difficult financial circumstances the County faces.

Ms. Price said as a result of that, she would be extremely hesitant to consider a tax increase or an increase in expenditures, whether they be operational or CIP. She said she very much appreciates and supports the simplified process and concurs with staff's initial revenue assumptions.

Ms. Osborne thanked staff for their presentation. She said their assumptions seem logical to her. She said she is usually nervous and cautious about projecting revenues and what they will spend, and the process meets her expectations.

Ms. LaPisto-Kirtley said the presentation was informative. She said looking over the question about current circumstances informing the boards' thinking about the capital program, she wanted to know what position broadband is in in terms of getting internet out to everyone. She said she realizes this is not about a building and that she is not sure whether or not it comes under capital planning.

Ms. LaPisto-Kirtley said this affects her thinking on what they will be doing in the future because if the last six months are any indication of what will happen in the future for the next year or year and a half, they have to be able to reach and serve the students. She said this will not happen unless they can either make the schools safe or get broadband out to everyone. She said she would like to pose this question to the School Division.

Ms. LaPisto-Kirtley said she likes the idea of being austere and is not in favor of raising the taxes, either. She said she does think they need to be austere in the budgeting process because they do not know what is ahead. She said they were given a gut punch, and they may be in line for a second gut punch, so it is better to move cautiously.

Mr. Richardson said he could talk about Ms. LaPisto-Kirtley's question about broadband from a County Executive's vantage point. He said on November 18, the Board of Supervisors will be revisiting their capital plan in the context of their strategic initiatives. He said there are nine strategic initiatives in the 2020-22 plan and that broadband is #9. He said a number of board members have been looking over the last several months at state initiatives as well as counties across Virginia. He said he was answering Ms. LaPisto-Kirtley's question from a staff perspective, but that she may also be looking at the School Board and other Board members for reactions to that.

Mr. Gallaway said this was something they could keep on the radar and have it come back as they work through this.

Ms. Le thanked staff for their presentation. She said the assumptions did seem logical and reasonable to her, and she appreciates the caution that they have within them. She said for her, the current circumstances, as everyone has seen, affect and amplify inequity. She said for her, her thinking about the overall capital program makes [inaudible] a relief. She said to Mr. Alcaro's comment about the Schools' request being on a needs basis, those all have to go through that lens, especially now. She said she is new to the process, but that she does think the process aligns with the expectations.

Ms. Palmer said to quickly answer Ms. LaPisto-Kirtley's question about broadband, Ms. LaPisto-Kirtley is on the CIP Committee with School Board members, and so when staff brings their recommendations for things in the CIP, this would be a good time for her to talk with School Board members about that.

Ms. Palmer said as far as the question, "How does your awareness of current circumstances inform your thinking about the overall capital program?" she had to comment on Ms. Mallek's and Mr. Oberg's comments about taking advantage of recession periods. She said right now, she does not think construction prices are down at all, but if they do go down, she is very much interested in taking advantage of that, if possible. She added that the projections for interest rates are to be low for some time in the future, which is great for the County.

Ms. Palmer said as someone mentioned, the upcoming election might also bring some relief if there is a second stimulus package if, by some chance, it addresses state and local governments' loss of revenue. She said this is all to be worked out in the next couple of months, and then they will know more.

Ms. Palmer said if the money is not there, it is hard to spend it, but she does believe in taking advantage of lower costs during recession era times.

Ms. Palmer said in terms of the question, "Is the capital planning/budgeting process aligned with your expectations?" it basically was. She said they do not have many specifics at this point, and it is an ongoing process, so she was fine with this and it met her expectations. She thanked staff for all their work.

Mr. Paige said in terms of the second question, the capital planning and budgeting process was aligned with his expectations. He said as far as the first question, he thinks everyone realized starting back in March that they were facing a very difficult situation. He said when thinking about capital projects, he thinks they will have a tough decision to make and will have to make the best of a bad situation, in most cases.

Mr. Paige said he had two questions, and that the first one would be directed to Ms. Birch. He said he did not hear a definition or description of what the "3-6-6" strategy involves. He said when Ms. Allshouse mentioned the list of delayed projects, he knows they had talked about those and wanted to know whether or not a list was available to show what those projects are, even though they had been presented with them at some point in the past.

Ms. Birch asked Mr. Richardson to answer the question about the "3-6-6" strategy, as she believed his perspective would be more valuable, given that the strategy was developed before she came on board.

Mr. Richardson said the "3" refers to the final three months of the last fiscal year, which was timed with when they were hit with the pandemic. He said they were focused on April, May, and June, which is the last quarter of FY 20. He said as Mr. Bowman said earlier in his comments, the first nine months of the last fiscal year were outstanding. He said the County's economic vibrancy showed with its revenues and then, in the last three months, they suffered. He reminded that Ms. Birch and staff had put out unaudited numbers for those last three months.

Mr. Richardson said this point was that once they realized the severity of the crisis, they developed some steps to balance and wrap the year-end up for those last three months, recognizing that those revenues were going to drop dramatically. He recalled that they were under a stay-at-home order for several weeks. He said the first three months in "3-6-6" was about looking at the final three months of the last fiscal year and what they will do to make sure they stay financially sound. He said Ms. Birch reported earlier that they accomplished that. He said there was pain and agony aligned with that, but they did it.

Mr. Richardson said the two "6's" were referring to the current budget year. He said he had suggested dividing the year up into two six-month increments. He said they made some recommendations when they had to go back and completely redo the budget for the current year, including freezing and eliminating positions in the budget, and spending cuts related to vehicle and capital replacement. He said they were doing some things to generate cost savings in order to be able to present a balanced budget in the current year. He said they knew that in the first six months of the year that they would learn more about what they were into.

Ms. Birch said to Mr. Paige's second question, staff would be providing a list of the projects so that everyone understands what has been delayed, what is not, and where they stand on that. She said she will make sure her team communicates this information to Schools staff. She said the CIP Advisory Committee will certainly have this, but that it is important for everyone to have it as well.

Ms. Acuff said she was certainly aware that they had pulled back on the capital projects. She said being on the CIP Advisory Committee, she is familiar with the projects. She said with Schools, there was a long-awaited Red Hill expansion as well as Scottsville, and the bigger and more immediate issue for Schools will be a 35,000-square-foot expansion of Crozet Elementary because they are bursting at the seams at Brownsville.

Ms. Acuff said this is a prudent course, however, and they have to look at what money they have. She said if things look better in six months, perhaps they can readjust. She said the difficulty is that they had not fully recovered from the Great Recession, as Ms. Mallek had pointed out, and so they were still behind on capital improvements to schools, particularly as it applies to capacity. She said they almost never get past trying to find room for kids. She said the recommended process was unfortunately the path they need to take, however.

Ms. McKeel said she would answer the easier question first, which was that she believed the simplified process and initial revenue assumptions were aligned with her expectations. She said as far as reactions or comments she has listened to thus far, although she hesitates to speak for a lot of people, it seems like everyone would agree that one of the strong concerns that has come out of the pandemic on the Schools side and for County Government is the lack of connectivity. She said they have seen this, whether it comes to schools, students, teachers, and employees working from home, and that it runs across the board.

Ms. McKeel said Albemarle is such a large County, and while she agrees that fiber is reliable and a great way to go, the last mile is probably going to be too expensive with fiber, in her opinion. She said she may be wrong, but she wonders if fiber is the only thing they should be looking at, going forward.

Ms. McKeel said anecdotally, she had a constituent who called her and said he drove into a school parking lot several months ago to see if he could get a call through for a family emergency. She said he told her that 22 cars were in the parking lot filled with teachers, families, people trying to work, and students doing their homework. She said this is a situation that must be fixed.

Ms. McKeel said coming out of the pandemic and looking at the marginalized communities that have been especially hurt, it seems to her that looking at the CIP through an equity lens would be very appropriate. She said she would be asking about how the CIP has been filtered through the lens of equity because there are some people in the community that are doing very well while others have been hurt horribly.

Ms. McKeel said in going back to look at the impacts of COVID-19 in the previous strategic plan work, Mr. Richardson mentioned that broadband connectivity was #9. She said this may not be #9 anymore. She added that there may be some things that the boards would want to add to the CIP based on COVID-19, and they need to have those discussions.

Ms. McKeel said, for example, that she was looking at the consent agenda that day and one of the things that County Government has done is that they have upgraded their indoor air quality, which did not cost a great deal of money but would be critical going forward, especially in the absence of not having a vaccine and poor public safety policies. She said perhaps for the School Division, they could look into upgrading at least their elementary schools' indoor air quality. She said this will be critical in helping families feel comfortable with coming back to schools. She said this was not even part of the previous discussion on the CIP. She said based on COVID-19, there may be some CIP projects they may want to bring forward based on where they have been.

Ms. McKeel said another example was looking at school capacity. She said if the schools are down 1,000 students in enrollment, and as Dr. Haas had said at one meeting she attended that a certain percentage of ACPS high schools students are very comfortable with virtual learning and may choose this over coming into the classroom, they need to look at the capacity issues and not just build based on how things were before. She said they may find that the capacity issues or needs have changed.

Ms. McKeel said normally, she is all about building when going into a recession because she believes it is true that one can get better interest rates and build for less money. She added that this also stimulates the local economy and gives people in the community jobs. She said this is normally the right thing to do, in her opinion.

Ms. McKeel said this situation is a little different, however, and she would like to see some data because she is not sure they are seeing this same path. She said now, there are fewer workers and because of tariffs, people are struggling to get supplies. She said she needs to have some clarity going forward on exactly what the impact is. She said she would love to think that it was the same situation as 2010, but she is not sure they are in the same position now.

Ms. McKeel said her last point was that for her, in prioritizing what is critical to do, marginalized communities and the impacts they have learned from COVID-19 to get schools back are her concerns. She added that she agreed they were not in a position for a tax increase that year. She also said she liked the simplified process.

Mr. Gallaway said where he would start reaction-wise from staff, and especially with coming back on November 18, when they asked the question about the boards' awareness of current circumstances, he was still trying to understand his awareness. He said he would challenge staff when they get into the analysis of last year and the projections for the coming year, to challenge the boards to understand what is economy-related versus what is COVID or emergency-related.

Mr. Gallaway said in the past, Mr. Steve Allshouse has talked about economic headwinds, projecting out, and being mindful of those economic factors, which he always appreciated. He said he would add to that level of analysis asking, when looking at revenues, if this is more of an economic issue or if it specific to the emergency hitting the economy, and teasing out those details.

Mr. Gallaway said that for example, when he sees the fluctuation at the end of last year compared to what was budgeted, he was interested in where they were projection-wise at the end of February 2020. He said what they were projecting pre-COVID was going to be their revenues by the end of the year, and so they should then see what that swing is relative to what actually happened. He said this is probably a bigger swing than what staff showed on the earlier slide that was consumer-driven ($2.5 million). He said fi they were projecting at the end of February that this was going to be larger than what they had budgeted (which he assumed was the case), then this swing is higher than the $2.5 million and helps him at least understand further what is going on locally.

Mr. Gallaway said there are likely other ways to look at this so that they can understand specifically what the emergency is creating revenue-wise for the County as they think through their projections.

Mr. Gallaway said this led him to write down a question about 0% revenue growth. He said he understood, but wanted to know why it was 0% versus a decline in revenue. He said he presumed staff had those conversations, and he would be curious as they move through budget talks why they would not project a decline or lower than 0% revenue growth. He said he suspected it had to do with the fact that staff was not seeing as big of a swing in the real estate and local personal property taxes, and that this is balancing out what they are seeing happening in the consumer-driven piece.

Mr. Gallaway said he was asking for help in formulating what his awareness of current circumstances is as it relates to the budget, both for planning purposes and in the decisions, they ultimately make for the CIP.

Mr. Gallaway said he hated to use a tired metaphor, but often in the past, he knows when they have talked budget, people have always made the analogy that the budget or the County is like a big ship, and it takes some time to get the ship to turn. He said someone had made comments about mid-term and long-term, and they have to deal with what is happening right now. He said they cannot throw away the mid-term and long-term strategic goals, however. He said if the ship finds itself in a big storm, they have to be ready to deal with that storm. He said it may throw them off course or make the back track, but they are going to get back on track, moving forward towards their destination, and he does not want to lose sight of that.

Mr. Gallaway said there have been comments about heeding the lessons learned from the Great Recession, and that this was not just the Great Recession, but local Supervisors making decisions. He said he thinks if the current members were on the Board at that time, they may have made different decisions and would have disagreed with some of them.

Mr. Gallaway encouraged making sure they have the information available to them because they have the added layer of the emergency to make different decisions in how they are going to work if a recession is ongoing. He said Ms. McKeel mentioned how it helps the local economy to employ local people, which is incredibly important in a downturn. He said it is not just about the money savings, but about helping people, especially during a time when a recession will be hitting them.

Mr. Gallaway said while he understood that they should spend the proper time looking at the current and immediate emergency and what that is doing to them, they also need to not forget what the long-term goals are. He said he appreciates the comments about getting back to the strategic planning processes, using as much information as they can with what they are dealing with, and then see how this creates the pathway for them moving forward and for the programming of money.

Mr. Gallaway said he was thinking out loud, and appreciated Ms. McKeel's comments about the student enrollment and thinking forward if it is really going to be students in seats. He said it seems like it would be the case for elementary students but perhaps, as they are learning in the workforce, there could be different ways to deliver education, especially for older students, not undermining the importance of the social aspects of school and emotional learning.

Mr. Gallaway said when he hears that student enrollment is down by 1,000, however, he cannot help to think that those thousands (plus more) are going to come back, and that the population growth in Albemarle will continue. He said the things that have been the case in the past will continue to happen.

Mr. Gallaway said taking 1,000 students returning, plus more on top of that, the question is if they are prepared for that from a facilities and workforce standpoint. He said he held off during the compensation piece in commenting, but there was a recent re-tweet that Delegate Hudson put out from the Economic Policy Initiative, and the point they were making is that teachers are generally underpaid when compared to comparatively educated people in other fields. He said teachers are generally underpaid compared to their peers with the same degree.

Mr. Gallaway said Virginia is last in that discrepancy, and he wants to be mindful of that as they are teachers are starting to think about if they are in the right place due to the emergency, and if they might switch and go to a different place. He said they are underfunded in Virginia and need to be mindful of this, as they do not want to lose people because they feel underpaid and may be switching careers (as with younger teachers), or may move to other systems in different states from a compensation standpoint. He said this is something they must keep in mind.

Mr. Gallaway said he was also grateful that Delegate Hudson is talking about funding the schools at the state level, in the General Assembly, and that he hopes she will continue with that charge. He said Virginia clearly has some work to do, and the General Assembly plays a huge role in that.

Ms. Callsen said having seen almost none of the presentation (as she was attending another commitment at the time), her comments would be brief. She echoed some of what Mr. Gallaway said, and that she thinks the educational landscape is changing. She said Mr. Gallaway thinks that perhaps more students might be coming back, but that she does think some of the overcrowding can be resolved by the fact that virtual education is a growing platform that is becoming acceptable, and it may very well be the case that they can alleviate the overcrowding of the high schools, which is something they have invested a lot of time thinking about in the CIP process in terms of where to put money.

Ms. Callsen said she didn't get to see the presentation about the process and how it is changing, given the situation with COVID. She said she could say that she has sat in meetings with Mr. Richardson as it pertains to the Airport Authority, and she knows that Albemarle has taken a more conservative approach, which she appreciates as there are many unknowns. She said it sounded as if they were anticipating 0% revenue, and Mr. Gallaway suggested it may even be less than that. She said this may bear fruit, certainly in the City, that things will not be as rosy as they think, and they should be prepared for that.

Ms. Callsen apologized for not seeing more of the presentation, as she had an emergency hearing to attend, but that she would try to watch what she could later.

Mr. Gallaway asked Mr. Alcaro if he had some other items to address.

Mr. Alcaro said he wanted to touch on the no tax rate increase, and that Ms. McKeel hit on his point about that. He said they need the data that feeds this because they are all going to be responsible to many people in terms of services, salary increases (or not), and so having the data that can be assembled over the next month or two would be absolutely invaluable with that.

Mr. Alcaro said to Ms. LaPisto-Kirtley's question about broadband, this is a major priority for the School Division. He said the numbers range between 600-900 students who do not currently have broadband or higher-level internet, which is why they have been invited into the schools to come in for classes. He said Schools put out a great number of at least 500 hotspots to families who were not able to get internet otherwise, and that this is something that is a major priority. He said to Ms. McKeel's point, this is definitely an equity issue and needs to be looked at through that lens.

Mr. Alcaro said he agrees with Mr. Oberg and Ms. Mallek about taking advantage of construction and other capital costs when the costs are down. He said they saw this happen with STAB back in 2009, which opened up their learning village campus and built it for 46% less than it would have been a year or two before that.

Mr. Alcaro said he admires the strategy, and would say that the capital planning budget process is definitely aligned with his expectations. He said he looked forward to being a part of the process.

Ms. Palmer said she had another comment about broadband, noting that everyone wants broadband very badly. She said she thinks it would be helpful for the boards to understand that they need help on the state level to hold their ISPs accountable for the service that they provide. She said what they have in Albemarle County is a major service provider that says that they are providing the service, but are not maintaining the underlying infrastructure and old lines. She said much of this is DSL and as Ms. McKeel mentioned, getting fiber to everyone's house right away is ideal, but it is too expensive to expect this to happen overnight. She said holding these companies accountable to maintain their basic infrastructure, however, is something that is needed and that they do not have on the County level.

Mr. Gallaway asked staff and Mr. Richardson if they feel like they have answers from the boards, or if they need to re-ask or reframe any questions at this point.

Ms. Birch said she appreciated the discussion, and that it was nice to hear that at least for her team and herself, they can move forward to shape their modeling so that it reflects the boards' expectations. She said it was also helpful to hear from each board member about where they are currently to head into the decisions that need to be made, knowing that they are in such a strange environment.

Ms. Birch said there were some conversations about going with 0% growth versus negative growth. She said one of the reasons why they are currently at 0% is reflecting on what happened 10 years ago. She said knowing that real estate is the County's largest area of revenue, which was the biggest issue 10 years ago, it is not the same now. She said from the information they know now, particularly on the residential side, they are not seeing a shrinking. She said more information will come out as they get the final numbers from the assessor in January, but they are not seeing residential as a problem. She said this is what balances things to make 0% seem appropriate.

Ms. Birch said the big question mark is the commercial side, both on the underlying tax base on BPOL and business licensing and the impact of COVID they will see from the gross receipts that come in the spring. She said they will be watching how the businesses respond over the next few months to the changing weather and changing availability of funds from the federal government that is flowing down through the state and through the County. She said the commercial side is where they are focused.

Ms. Birch said at this point, 0% seems to be prudent, but as Mr. Bowman mentioned, they will have the official first quarter report in November and at that point, they will be digging in and crunching numbers to see if they went far enough with their initial assumptions.

Ms. Birch said she would turn the presentation over to Mr. Richardson to close out the presentation after first sharing the timeline slide again. She said the presentation was sent to each board member. She encouraged the board members to contact herself or Ms. Allshouse, noting that Ms. Allshouse is the liaison to Schools. She said November is a big month for information, and staff will definitely consider what they heard from the boards, which is that they are all interested in knowing the information and to keep them included, and that staff will certainly do this.

Ms. Birch concluded her presentation and expressed that she hoped to someday meet everyone in person.

Mr. Richardson said he did have a question for Mr. Alcaro, who had said that he would look forward to getting some data over the next month or so. He said Mr. Alcaro was referring to the position they have in that they are not starting the process planning for a tax rate increase tied to capital, as they had been talking about last fall. He said he wanted Mr. Alcaro to restate his question in terms of what he is looking for, and if he is looking for a follow-up from staff in the next month or so, in order for staff to be able to meet his needs.

Mr. Alcaro replied that where he was going on this was to see what the impact would be with a no tax rate increase as related to capital versus moving forward with an increase, whether this is a penny or whatever amount this will be, that the Supervisors had tentatively scheduled for the upcoming period. He said he wanted to see what the impact would be, as he thinks this will be important for everyone. He said like Dr. Acuff, he is on the CIP Advisory Committee, and it would be helpful to them to be able to put together numbers with this decision. He noted that he was not opposed to the decision, but wanted to know what the impacts would be.

Mr. Richardson asked Ms. Birch if she was capturing this.

Ms. Birch replied yes.

Mr. Richardson said he wanted to do two things, and with Mr. Gallaway's permission, Mr. Trevor Henry may want to say something with regard to mention of the construction market. He asked Mr. Henry if he had anything to add about that. He said after Mr. Henry makes his comment, he would ask Dr. Haas if he wanted to make some comments.

Mr. Henry, Assistant County Executive, said several members from each board talked about the bidding and construction climate of today versus that of 2010. He said he asked Facilities and Environmental Services

(FES) to provide some information they can share with both boards, and that they will feed this information about the current climate into the review process in November.

Mr. Henry said 2010 was not comparable to the current year. He said in 2010, the housing market crashed, and there was an over resourcing of construction firms very hungry for work. He said the result was that many people left the field, and they have actually seen issues over the past seeral years with the lack of qualified resources for projects. He said he believes this is still the current state, and that there are labor restrictions. He said he believes there are also rising materials costs due to COVID-19 because of shutdowns and other issues.

Mr. Henry said this was his anecdotal understanding of where the market is from the reports he has been seeing, through his experience, and from some of the national data they get in through Facilties. He said FES will provide a report out to the boards to give them an update on the market.

Mr. Henry said in terms of broadband, he is on the Broadband Authority as part of his role, and that one-time funding was provided to the Authority several years ago that has either been obligated through existing [inaudible] contracts, drawing down state money, and the work is either finishing up or underway; or the balance is actually tied up with the current year applications. He said he was sure that the Broadband Authority will be excited to hear some of the conversation from today.

Mr. Henry said he did believe the boards will want more information on this, both around the extension of fiber into the underserved area and access (from an equity lens) to those areas that may be served, but where residents are unable to afford it. He said he does think this is an emergent need of the community.

Dr. Haas said these would be great words to end the meeting on, and that he appreciated Mr. Richardson giving him a chance to speak. He said to repeat what he talked about with the School Division leadership team that morning (which is made up of central office staff, principals, and department heads) is that during difficult times like these, one thing they learn more so than in times that are less challenging is the power of working together and being a part of a team. He said they can do many things they think they cannot do on their own, such as taking on the challenge of equity for students and community members so that they can have a seat at the table.

Dr. Haas said Albemarle County is still a prosperous place to live because of the stewardship of the Board of Supervisors, the focus on learning by the School Board, and the great connections they have built over time between multiple government and School Division staff. He said it still is a place of prosperity, and that this is an opportunity for them to figure out how to bring everyone to the table.

Mr. Paige said he would give a few remarks to wrap up. He thanked the entire staff, including Mr. Richardson, Ms. Birch, Ms. Allshouse, Ms. Gerome, and Mr. Henry for presenting all the information that afternoon, which was beneficial and helpful. He said they had had the perfect budget developed around February or March. He said the world fell apart in March, and although they realize that they have a tough time coming up with the budget that year, they will do their very best to come up with the best budget they can propose. He said the "3-6-6" plan will help to make some decisions related to the budget.

Mr. Paige said he had two other things to mention related to some comments that have been made during the presentation. He said the School Board is aware of all of the problems with broadband and are trying to do their very best to tackle some of those problems. He said like Mr. Alcaro, Ms. Palmer, and Mr. Henry mentioned, both boards have to be involved with this, as it is not just a School Board problem, but one for the entire County. He said they are aware of that problem and are trying to come up with some solutions, but will be looking to the Supervisors to help the School Board with that problem.

Mr. Paige said some people mentioned equity, which is extremely important to the School Board. He said this is something they have been working on for a long time and continue to do so. He said they are making some changes in the curriculum, such as reframing the narrative to help overcome some equity issues. He said they are looking at CRTO responsive training within the division to try to tackle some of the problems. He said currently, the School Board is engaging in a discussion about a book called Courageous Conversations of Race by Glenn

Singleton. He said they hope the discussion of the book, along with the other things they are doing, will help them to close the achievement gap and better address the equity issue.

Mr. Paige said the pandemic revealed to the School Board quite a few things about the equity issue. He said they are aware of these things and are trying their best to work on them. He said they do need the Supervisors to help them, especially with broadband and other issues the School Board will be bringing to them with their budget proposal.

Ms. Palmer said she wanted to ask staff for one additional thing. She said when Trevor was talking about the construction issue, she agreed with his comments about it, and she wanted staff to comment about how the lower interest rates will affect the CIP funding, which she believed would happen anyway, but she wanted to add that in.

Mr. Gallaway said no one was expecting to be there. He said they went through a planning process, and it was one in which the School Board was working well with the Board of Supervisors. He said he did not want to feel like they were getting away from the relationships they have had, but they had certainly not anticipated having to deal with this emergency.

Mr. Gallaway thanked staff from both the School Division and the Local Government side. He said he was still in awe of the fact that they turned around a completely revamped budget in a few weeks. He said this is the proof that lets him know they will continue to work through this and approve the budget in a smart and diligent way. He said if staff can do this, he knows they have a good team in place that will allow them to work through as they continue to work through the pandemic and the economic items they will have to deal with.

Mr. Gallaway thanked staff for their efforts and planning that day, noting that there was obviously much more work to do as they kick off the budget season. He said they will continue to work through this together.

Agenda Item No. 3.1. Other Matters. None.

Agenda Item No. 4.1. Adjournment.

At 4:02 p.m., Mr. Paige, hearing no objections, adjourned the meeting of the Albemarle County School Board. The Board of Supervisors recessed.

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Chairman

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Clerk