



County Executive's Recommended FY 26 Budget

Work Session #3: **Public Schools Operations, Joint Capital & Debt Service**

March 17, 2025

March

- ~~5~~ — ~~Public Hearing on~~
~~Recommended Budget~~
- ~~10~~ — ~~Work session~~
- ~~12~~ — ~~Work session~~
- 17 Work session
- 18 Town hall: The Center
- 19 Work session: Board
proposes budget and sets
maximum tax rate for
advertisement
- 20 Town hall: Monticello HS
- 24 Town hall: Sentara
Conference Room
- 26 Work session (if needed)
- 27 Town hall: Yancey
Community Center

April

- 7 Work session (if needed)
- 9 Town hall: WAHS
- 10 Town hall: North Fork
- 14 Town hall: Journey MS
- 23 Public Hearing
- 30 Public Hearing

May

- 7 Board approves and
appropriates FY 26 Budget
and sets tax rates

FY26 Budget Calendar

Work Session Process

- Staff presenting info at level of detail in between County Executive presentation & detailed budget document
- Includes many pauses for Board of Supervisors questions, dialogue and identify items for:
 - “The list” for potential adjustment and future Board discussion
 - General information
- Responses outside of work sessions are posted to the website for transparency

Agenda

Public Schools Operating, separate document produced by the School Board

Break

CIP & Debt, pages 261 – 304

Recap before March 19 Work Session

If time allows:

- **Administration, pages 89 – 105**
- **Parks, Recreation and Culture, pages 201 - 212**



INVESTMENT IN SCHOOLS

SUPPORTS GOALS:

5

6

Transfers to Public Schools - Operating

- +\$14.3 M or 7.3% increase in the ongoing transfer
 - Includes 0.4 cents or \$1.2 M to supplement existing tax rate allocation
- +\$6.2 M one-time transfer for the Schools' share of a transfer to the Health Fund
 - Funded by County Government

Transfers to Public Schools – Debt

- +\$2.6 M ongoing for principal & interest on borrowed capital projects

Transfers to Public Schools – Capital

- +\$6.0 M one-time transfer due to FY 25 impact of increased CY 25 tax rates



Capital Improvement Program (CIP)

Pages 261-293



Six Strategic Goals



Introduction to CIP

Capital Budget: Appropriated, first year

- Includes projects re-appropriated from prior years

CIP

- Years 2-5
- Adopted Plan for years FY 26 – 29 becomes the starting point for the next update

Planning for multi-year operating impacts in General and School Funds:

- Day-to-day costs of capital projects (e.g. personnel and related operations)
- Annual debt service payments

FY 26 – 30 CIP

Assumptions & Approach

1. Starting point is the balanced FY 25 – 29 Adopted CIP
2. Update financial assumptions
 - Such as project costs, interest rates for borrowing costs, project timing, CIP revenues
3. December 4 Joint meeting with School Board
4. To extent possible, include new projects guided by Strategic Plan

Changes since December Joint Meeting

Revenue Changes

Ongoing revenues:

- Updated per the Allocation of Shared Revenues formula

One Time Revenues, \$9.1 M:

- \$2.0 M from available FY 24 year-end funding
- FY 25 impact of increased CY 25 tax rates
 - \$6.0 M for Public Schools
 - \$1.1 M for CIP

Expenditures Changes

- Cost updates for ongoing programs

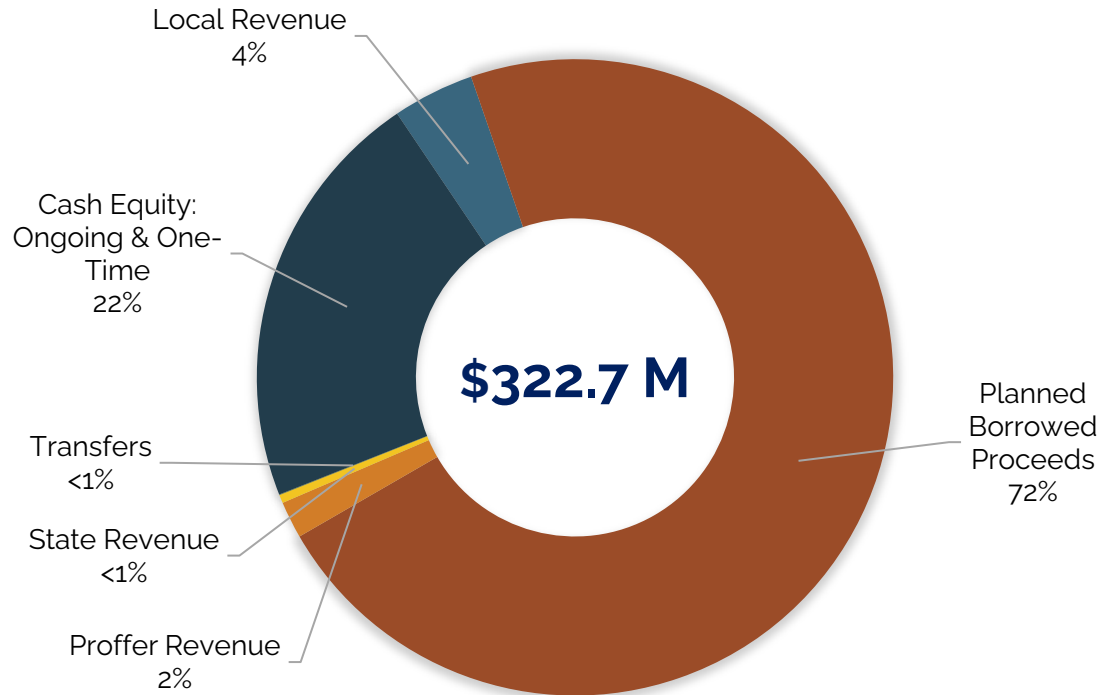
Increase added to Existing Projects:

- Courts
- Biscuit Run Park
- Darden Towe Athletic Fields
- High School Center II
- Southern Feeder Pattern Elementary School

New Projects Added or Expanded:

- Transportation Leveraging, Year 4 funding
- Northern Feeder Pattern Elementary School, Expanded Capacity
- School Renovations, increased annual amount
- Community Non-Profit Capital Requests: Loaves & Fishes

Recommended FY 26 – 30 CIP Revenues



CIP Revenues: Cash Equity

Sources:

- 10% of change in revenues from Allocation of Shared Revenue Formula
- One-time funding, if available

Uses:

First priority:

- Debt service (principal & interest) related to bond issuances
 - Typically, 20-year period
- Existing debt refinanced when advantageous

Remainder:

- 5% of costs for projects that are eligible for borrowing
- 100% of cost for projects not eligible for borrowing

CIP Revenues:

Planned Borrowed Proceeds

Sources:

Bond issuances

- New bonds: Completed in 2021 and 2023
- Refinancing in 2022
- Currently planned for every other year

Uses:

95% of costs for projects that are eligible for borrowing

Debt Capacity:

Key Component of Bond Ratings

Albemarle's AAA/AAA/Aaa Bond Rating

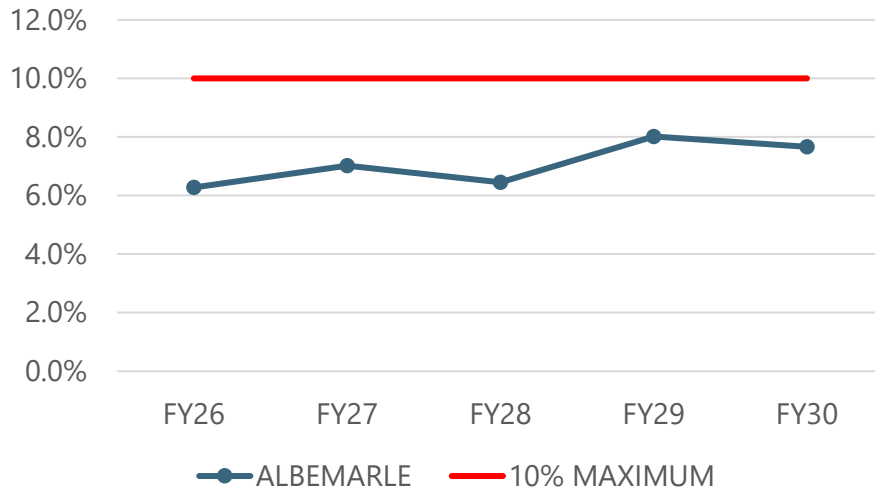
- 2 ratings attained in 2003, 3rd attained in 2013
- 55 of 3,000+ counties in United States as of Oct 2024
- 13 of the 55 are in Virginia

Benefits of Bond Rating

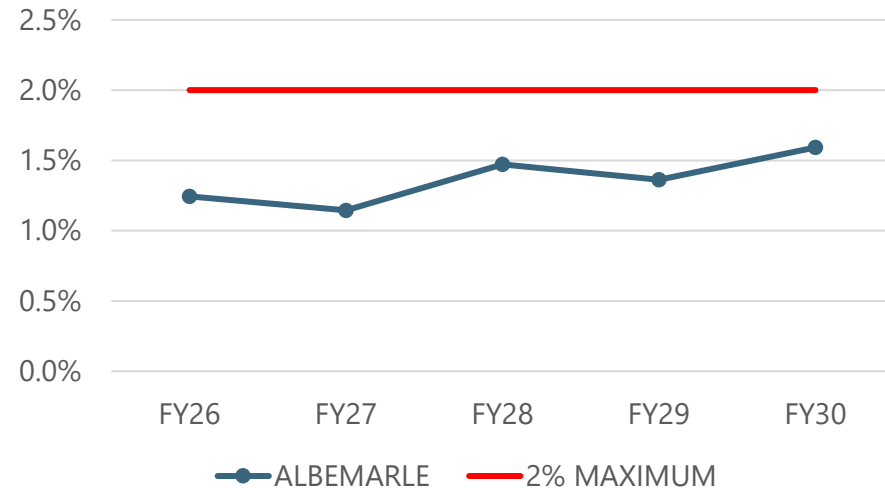
- Future flexibility: Operating & Capital Budgets
- Best possible rates relative to the market
 - Translates to lower debt service payments
- Access to borrowing when needed

Financial Management Policies: Debt

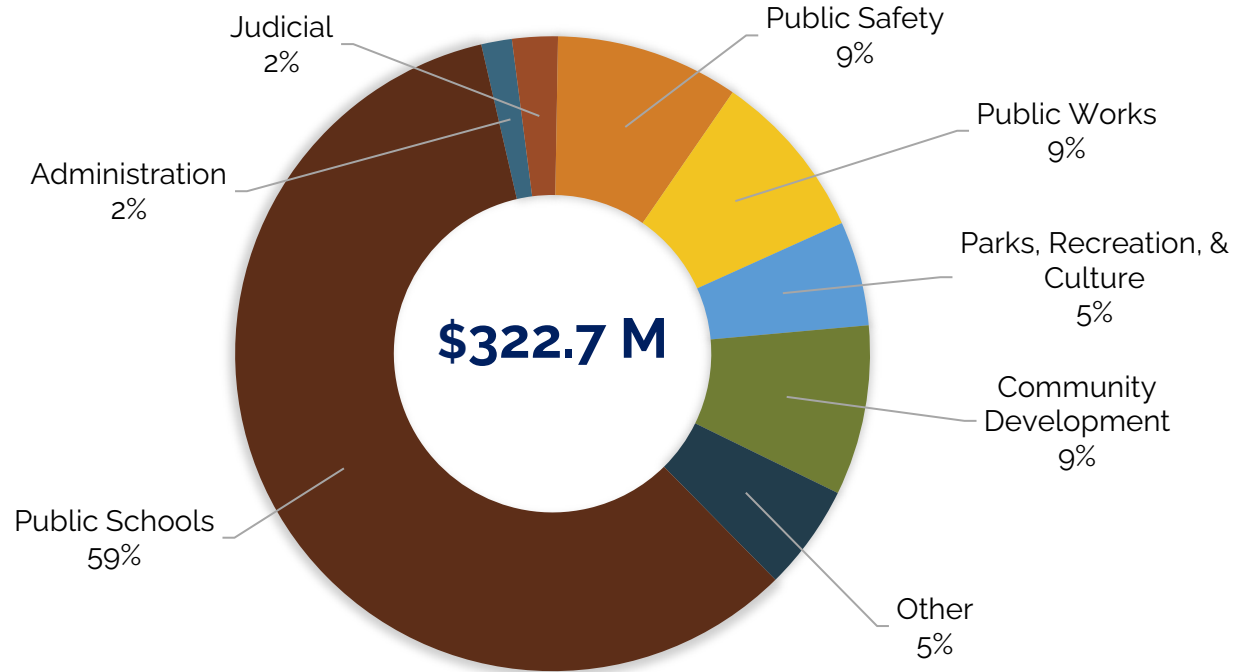
Debt Service as Percentage of General Fund and School Fund Revenues



Outstanding Debt as a Percentage of Assessed Value of Taxable Property



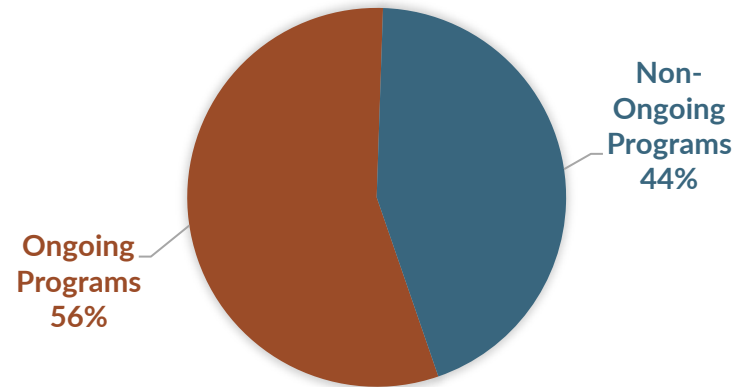
Recommended FY 26 – 30 CIP Expenditures



Ongoing Programs for the CIP & Financial Management Policies

- County Government Owned Facilities and Parks
- Co-Owned Facilities and Parks
- County Technology Roadmap
- Fire Rescue Apparatus Replacement Program
- Ivy Landfill Remediation
- Moore's Creek Debt Service
- Project Management & Administrative Services
- Regional Firearms Training Center Contribution
- School Bus Replacement Program
- School Facilities
- School Technology Replacement Program

FY 26 RECOMMENDED CIP
































Capital Improvement Plan

Schools Summary

\$189.6 M

26 27 28 29 30

High School Center 2	At Lambs Lane Campus					
Elementary 1	Southern feeder pattern					
Elementary 2	Northern feeder pattern					
Renovations	Systemwide projects					
Maintenance	Systemwide projects					
School Bus Replacement	Annual fleet cycle					



INVESTMENT IN SCHOOLS

SUPPORTS GOALS:

5

**Northern Feeder
Pattern
Elementary
School**

\$60.7M

**Systemwide
Renovations**

\$20.0M

**Network
Infrastructure**

\$6.2M

**High School
Center 2**

\$600K

**School
Facilities
Maintenance**

\$74.7M

**School Bus
Replacements**

\$23.9M

**Project
Management
Services**

\$3.0M

**Southern Feeder
Pattern
Elementary
School**

\$600K

Capital Improvement Plan

Government Summary

\$128.5M

		26	27	28	29	30
Transportation Leveraging	Road, bike, pedestrian projects	✓	✓		✓	
Parks & Fields	Biscuit Run + 2 fields; Towe fields rebuild; pocket park	✓	✓			
North. Convenience Ctr	Recycling infrastructure		✓			
County Offices Renovations	Workforce stabilization	✓	✓			
Courts	Construction	✓				
Central Library Renovation	JMRL request		✓		✓	
Community Non-Profits	Loaves and Fishes	✓				
Maintenance Replacement & Ongoing Programs	Facilities, Parks, Technology, Administrative, etc.	✓	✓	✓	✓	✓

Recommended FY 26 – 30 CIP Highlights

**Courts
Construction
FY26**

**Transportation
FY 26, FY 27, FY 29**

**Northern
Convenience
Center:
Construction
FY 27**

**Central Library
Renovations
FY 27, FY 29**

**Biscuit Run
FY 26**

**Darden Towe
Athletic Fields
FY 26, FY 27**

**Urban
Pocket Park
FY 26**

**Workplace –
Facility
Renovations
FY 26, FY 27**

**Communtiy Non-
Profit Projects
FY26**

INVESTMENT IN SAFETY & WELL-BEING

Courts Construction

FY 26: \$7.5 M

Expands court facilities to meet existing & projected capacity & security

Scope of work includes:

- New General District Courthouse at the Levy Site
- Renovation of historical portion of Levy Opera House
- Renovation of current historic courthouse, currently housing Albemarle's Circuit and General District courts

SUPPORTS GOALS:

1



INVESTMENT IN INFRASTRUCTURE & PLACEMAKING

Transportation

FY 26, 27, 29:
Total \$27.9 M

Funding supports high priority
transportation projects and initiatives

Leverages state and federal funding

SUPPORTS GOAL:

3



Projects included:

- US 250 Pantops Corridor
- Berkmar Extension to Airport Road
- Berkmar Shared Use Extension (Northern Section)
- Commonwealth and Dominion Drive
- Old Lynchburg Road Project
- Eastern Avenue
- Hydraulic Road/Lambs Lane

INVESTMENT IN INFRASTRUCTURE & PLACEMAKING

SUPPORTS GOAL:

3

**Northern
Convenience
Center**

**FY 27:
Total \$1.3 M**

Development of a Northern
Albemarle County Solid
Waste Convenience Center.



INVESTMENT IN INFRASTRUCTURE & PLACEMAKING

SUPPORTS GOAL:

3

Central Library

**FY 27, 29:
Total \$10.5 M**

County's share of funding for the
total renovation of Central Library

Funding contingent on:

- City of Charlottesville funding its required share
- Approval of MOU with the City pursuant to the regional library agreement,
- An expectation that the Jefferson Madison Regional Library will leverage sources of funding from community partners to assist in bringing this project to fruition.



INVESTMENT IN

PARKS, RECREATION, AND CULTURE

Biscuit Run

FY 26:
Total \$3.5 M

Continued implementation of Biscuit Run Park Master Plan

Future elements include:

- Phase 1 Trail Network
 - 3 Boardwalks
- Athletic Fields
- Hickory Street Pedestrian Bridge and trailhead
- Maintenance Facility

SUPPORTS GOAL:

4



INVESTMENT IN

PARKS, RECREATION, AND CULTURE

**Darden Towe
Athletic Fields
FY 26-27:
Total \$1.5 M**

Phased rehabilitation of the Darden Towe Park athletic fields, rebuilding one of the four fields each year between FY24 and FY27.

SUPPORTS GOAL:

4



INVESTMENT IN

PARKS, RECREATION, AND CULTURE

Urban Pocket Park

FY 26:
Total \$1.5 M

Site identification, design, and construction of a pocket park in the County's urban ring.

SUPPORTS GOAL:

4





INVESTMENT IN

WORKFORCE & SERVICE DELIVERY

SUPPORTS GOAL:

6

Workplace – Facility Renovations

**FY 26, 27
Total \$2.2 M**

Development and implementation of
a space utilization program the
County Office buildings located on
McIntire Rd and 5th Street Extended

Community Non-Profit Capital Process

Continuing expectations from the prior year's process:

1. Projects must meet the County's definition of a capital project
2. Prioritized projects will align with objectives in the FY 24-28 Strategic Plan.
3. Projects will be evaluated in the context of the total FY 25 - 29 Capital Improvement Plan.
4. The project should leverage funding
5. The non-profit should have capacity to administratively manage the project
6. Projects have documentation that they are far enough along to provide confidence that it will succeed; request timeline should reflect that
7. Projects should increase services, not only maintain existing facilities
8. Projects from community non-profits where the County may have a long-standing obligation to continue to provide services if the entity did not exist will be prioritized over those where such as obligation does not exist

INVESTMENT IN SAFETY & WELL-BEING

SUPPORTS GOALS:

1

Community Non-
Profit:
Loaves and Fishes

FY 26: \$40k

Purchase of walk-in freezer to sustain and improve food support for income limited community residents.



CIP Advancing Strategic Priorities Reserve

Established in FY 20

Purpose

- Reserve to support potential Strategic Plan priority projects or to provide funding for other emerging organizational needs.

Past Uses

- Southern Convenience Center Development
- Preliminary Design for Reas Ford and Earlysville Road Intersection Improvements
- Rio Road Corridor Study
- Brookhill Proffer Study
- Lambs Lane/Hydraulic Road Study
- Thomas Jefferson Planning District Commission (TJPDC) Safe Streets for All Grant Match

Currently, there is \$1.9 M in unallocated funding.

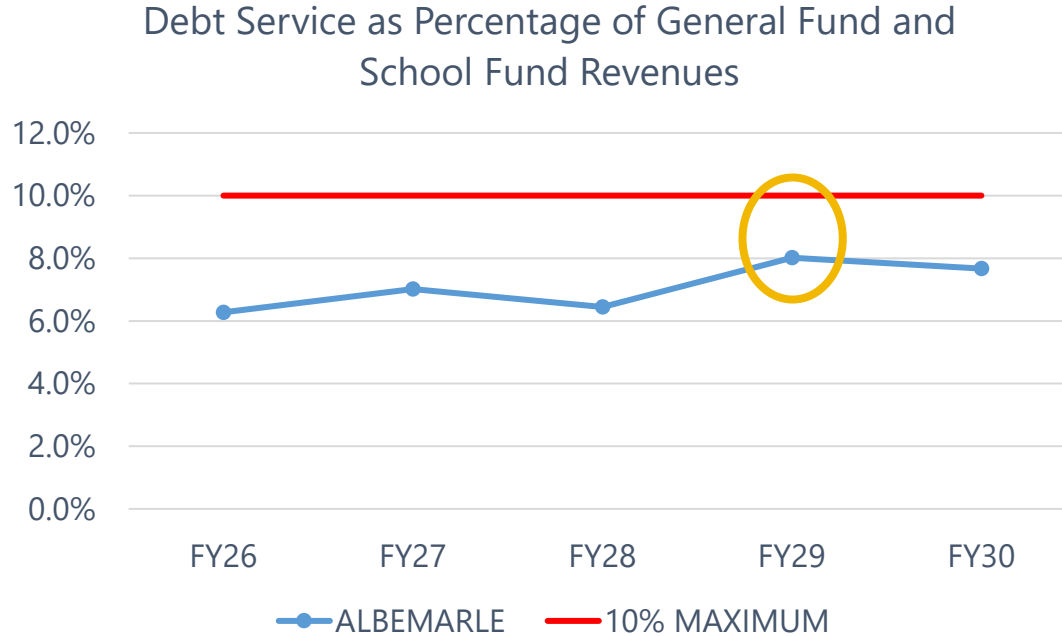


Debt Management

Pages 295-304



FY 26 – 30 Recommended CIP, Comparison to Financial Policies adopted Sept 2022



- The County is currently planning to hit 8% of General Fund and School Revenues going to Debt Service in FY 29.
- There is 2% capacity if the County were to go to the 10% maximum set by policy.

What would be considered if projects can be added to the FY 26 – 30 CIP?

- Does the County have debt capacity?
 - Up to \$72 million if pursuing 9% of 10% maximum level
- Does the County have the related funding needed?
 - 5% “pay as you go” funding portion of projects = \$3.6 M
 - Annual Debt Service, for each year of life of bond:
 - Lease Revenue: \$5.96 M
 - General Obligation \$5.84M
 - Funding source: Would need to be identified

Recap before March 19 Work Session

March 19 Work Session Agenda

Complete remaining chapters from prior work sessions:

- If not covered 3/17: Administration & Parks and Recreation
- Community Development Department & Transit
- Position Changes & Re-engineering

Updates from Prior Work Sessions:

- Technical adjustments
- Consideration of Board requested adjustments:
 - Increasing amount Affordable Housing Investment Fund

Board Action:

- Board proposes tax rates for advertising
- Approval of FY 2026 Proposed Budget for Advertising

Advertisement Deadlines

Budget Calendar is built in order to:

- Comply with Virginia Code requirements
- Collect taxes by June 25

This Year's Calendar:

- Allowed for 1 unforeseeable disruption (e.g. weather cancellation, ad error)
- Cannot go past May 7 adoption without significantly impacting the tax billing process
- Scheduled 6 of 7 town halls after the scheduled March 19 Proposed Budget

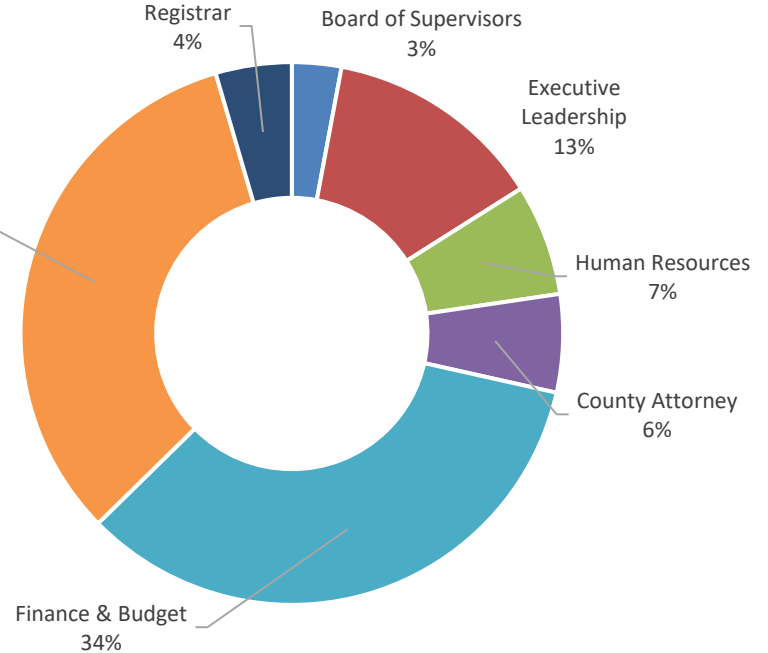
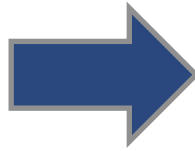
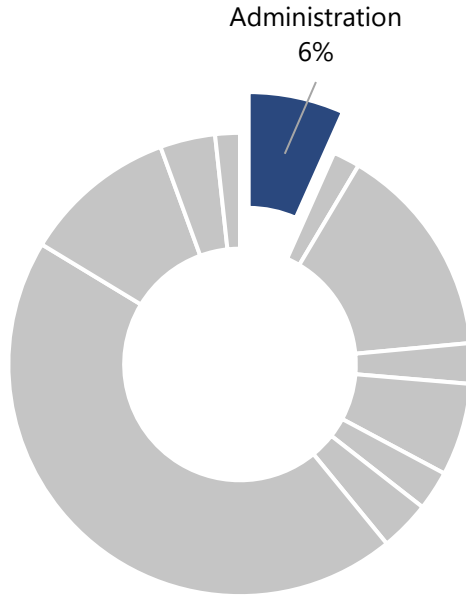
Conclusion:

- The Board could delay action until March 26, as long as all remaining dates happen as scheduled through May 7

If time allows:
Continued Items from
Work Session #2

Administration

\$30.4 million





INVESTMENT IN ADMINISTRATION

SUPPORTS GOALS:

2

6

**Core Systems
Modernization
&
Centralization**

\$450k for the new
financial
management system

**Voter
Registration
& Elections**

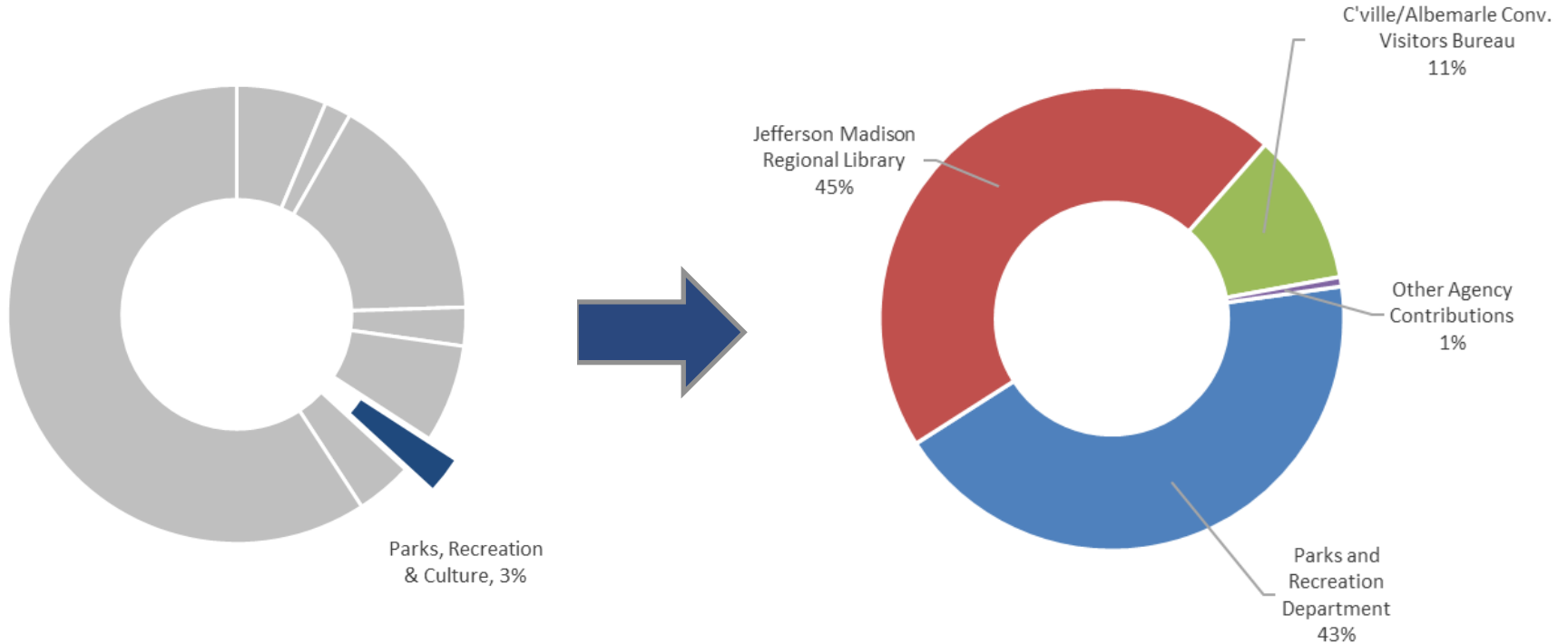
Fully funded
request

**Board Meeting
Minutes
Support**

\$30k for meeting
minutes preparation

Parks, Recreation, & Culture

\$12.9 million



INVESTMENT IN

PARKS, RECREATION, AND CULTURE

SUPPORTS GOAL:

4

Opening New Parks

\$124K for a full-year of operations at Biscuit Run and ½ year at Rivanna Village

Adaptive Recreation

\$133K contribution to City-County joint Adaptive Recreation Program

Implementing CIP

Darden Towe, Biscuit Run Phase 1B, & Urban Pocket Park

Invasive Species Management

\$33K to expand the Invasive Species Management Program

Parks, Recreation, & Culture

Notable Changes

Jefferson Madison Regional Library (JMRL)

- Increase of \$386K or 7.0%
- Reflects County's share of existing library systems costs per regional agreement

Charlottesville Albemarle Convention & Visitors Bureau

- Increase \$223k or of 19.4% based on regional agreement
- Funded by related transient occupancy tax revenues

Cultural, Arts & Festivals Agencies

- Application and review process simplified and focused on qualification as eligible program request
- Reclassify agencies into one of four categories: Larger programs that bring visitors & support local economy, Smaller local cultural programs, Arts-focused, Recreational or educational opportunities
- Funding recommendations placed less emphasis on existing vs new County funding
- FY 26 Recommended = 17 agencies totaling \$85,500

04

Next Steps



March

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