County Executive's Recommended FY 27 Budget

Work Session #3:

Public Schools Operations, Debt Management, & Capital Improvement Program

March 16, 2026

FY27 Budget Calendar

March

~~4~~	~~Public Hearing on Recommended Budget~~
~~9~~	~~Work Session~~
~~11~~	~~Work Session~~
16	Work Session
18	Work Session: Board Proposes Budget and Sets Maximum Tax Rate for Advertisement
19	Town Hall: The Center
23	Town Hall: WAHS
25	Town Hall: COB 5th Street
26	Town Hall: Yancey Community Center
30	Town Hall: Lakeside MS

April

1	Work Session (If Needed)
2	Town Hall: Albemarle HS
15	Public Hearing on CY 26 Tax Rates and Board's Proposed Budget
22	Board Approves and Appropriates FY 27 Budget and Sets Tax Rates

Agenda

Public Schools Operating, separate document produced by the School Board

Break

Technical Updates & “Parking lot” identification and discussion for March 18 Work Session

Debt Management, pages 295-304

CIP, pages 243 - 285

Allocation of Shared Revenue

Board's Adopted Financial Management Policies (p 67)
The County shares the increase or decrease in available shared revenues among the County Government and Public Schools operating, debt service, and capital budgets.

Step 1: Calculate the increase or decrease in General Fund local tax and State non-categorical aid revenues.

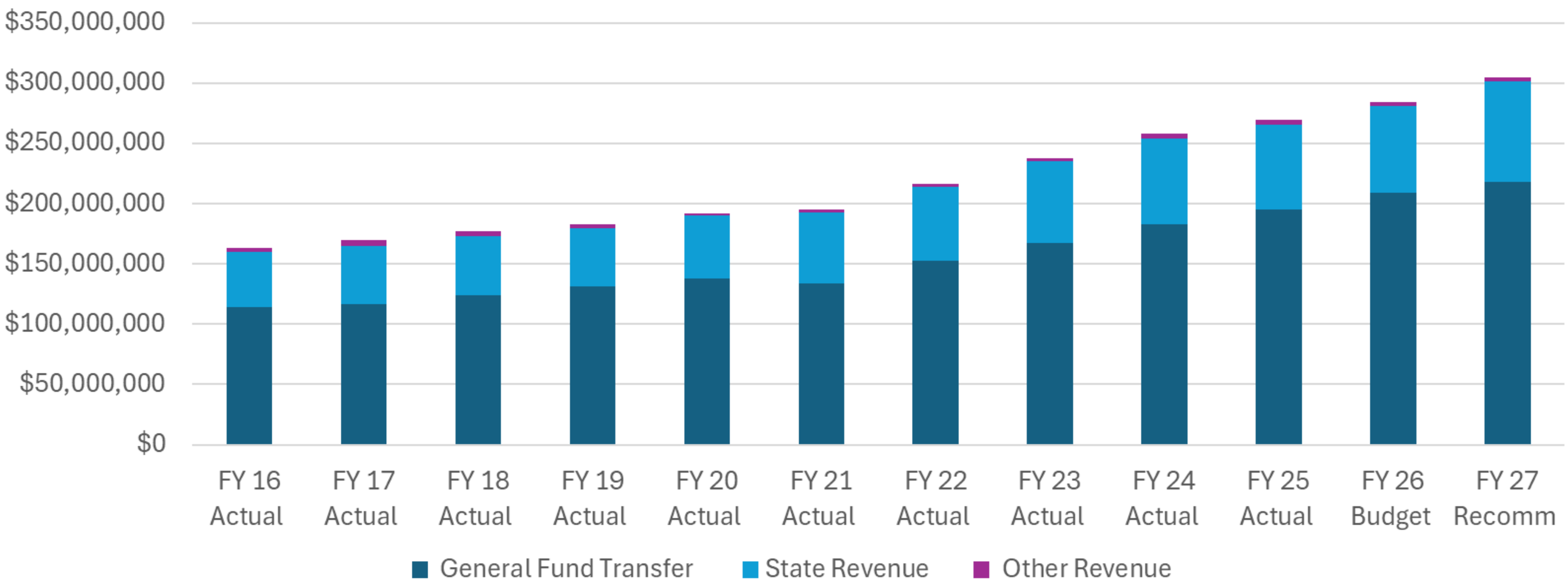
Step 2: Adjust the amount from Step 1 for changes in expenses that reduce available shared revenue:

- City of Charlottesville revenue sharing, Tax Relief programs, Economic Development Authority tax-related performance agreements, the designated transfer to the Water Resources Fund and Affordable Housing Investment Fund, and the dedicated tax rate increase for public safety.

Step 3: Allocate amount from Step 2, 54% to the Public Schools operating budget, 36% to the County Government operating budget, and 10% for the joint debt service and capital budgets.

This guideline may be reviewed annually with Board of Supervisors approval.

Total Public Schools Operating Budget
Ongoing Revenue Sources*



** Excludes special revenue funds, use of fund balance, and FY 25 $7.7 one-time transfer from County Government*

Board of Supervisors Direction:
FY 27 Adopted Budget, by April 22

1. Public School Operating Fund	2. One-time transfer to CIP
A. County Executive Recommended Total of $304.9 million, increase of $20.7 million or 7.3% from FY 26 Adopted	**A. County Executive Recommended** $6.4 million, sent from General Fund directly to CIP
B. School Board Requested: Operations balanced on $307.2 million, increase of $23.0 million or 8.1% from FY 26 Adopted	**B. School Board Requested:** $4.1 million, sent from the General Fund to the Public Schools Operating Fund, then to CIP
C. Other amount as determined by the Board of Supervisors	**C. Other amount as determined by the Board of Supervisors**

Board of Supervisors Direction:
FY 27 Adopted Budget, by April 22 *or Future Process*

3. Use of CIP Placeholder	4. Total Placeholder Amount
A. County Executive Recommended To be determined, planned in FY 31 of Recommended CIP	**A. County Executive Recommended** Includes additional $6.4 million transferred in FY 28 for total FY 31 placeholder of $12.8 million
B. School Board Requested To be determined for Public School projects	**B. School Board Requested** Would be part of FY 28 process
	C. Other amount as determined by the Board of Supervisors & can be revised in FY 28 budget and FY 28-32 CIP process

Public School Slides

Recommended Updates to FY 27 Recommended Budget

Recommended Technical Updates
General Fund

Revenues	**Adjustment**
Staff review of revenue projections	$0
Expenditures	**Adjustment**
Albemarle Charlottesville Regional Jail	-$258,827
Blue Ridge Juvenile Detention Center	-$44,136
Charlottesville Area Transit	-$150,814
Agency Change Due to Administrative Error – Reclaimed Hope Initiative	+$40,000
Reserve for Contingencies, after above changes	**$814,177 ongoing** **$510,162 one-time**

Recommended Technical Updates
Other Special Revenue Fund

Revenues	**Adjustment**
Opioid Abatement Fund – State Revenue	+$125,499
Expenditures	**Adjustment**
Opioid Abatement Fund – Contingency Reserve	+$125,499
Total Change	**$**125,499

Potential Funding Sources for Board-Requested Adjustments

Ongoing

- Ongoing amount of Reserve for Contingencies, $814k
- Reprioritizing use of ongoing funding

One-time

- One-time amount Reserve for Contingencies, $510k
- Reprioritizing use of one-time funding

CIP Adjustments

- $394k one-time amount from CIP Advancing Strategic Priorities Reserve
- Reprioritizing capital projects

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
- Contribution to the Albemarle Housing Investment Fund (AHIF)
- Contribution to the Albemarle County Emergency Relief Program (ACERP)
- Contribution to the Climate Action Pool

Currently, there is $394k in unallocated funding.

Parking Lot Topics

Community Non-profits
(e.g., Human Services Funding Process; Arts & Cultural Festivals; Capital Requests)

- Raised in meetings so far: OAR Therapeutic Docket, Foothills Child Advocacy Center
- Additional agencies to be identified by Board members

Affordable Housing Investment Fund

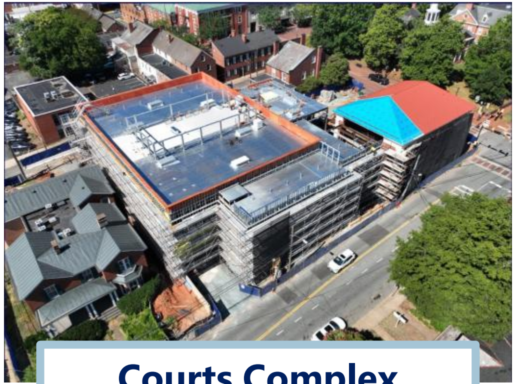
Schools Operating and CIP transfers in follow up to School Board's presentation

Tax Rate and Dedicated Tax Rate modifications

Debt Management

Pages 295-304

Five Projects Driving Current CIP



Courts Complex

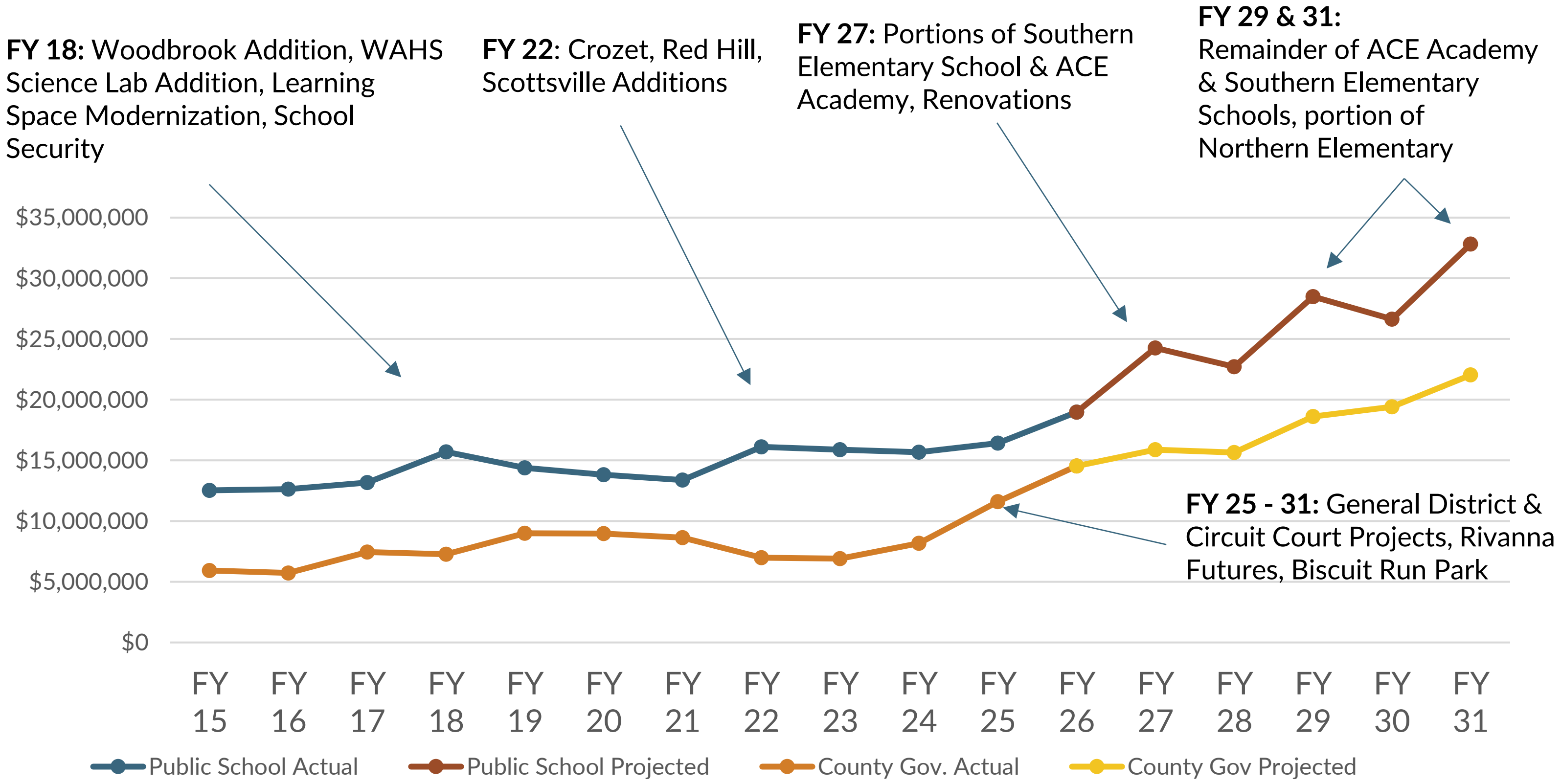
Mountainview Upper Elementary School

ACE Academy at Lambs Lane High School

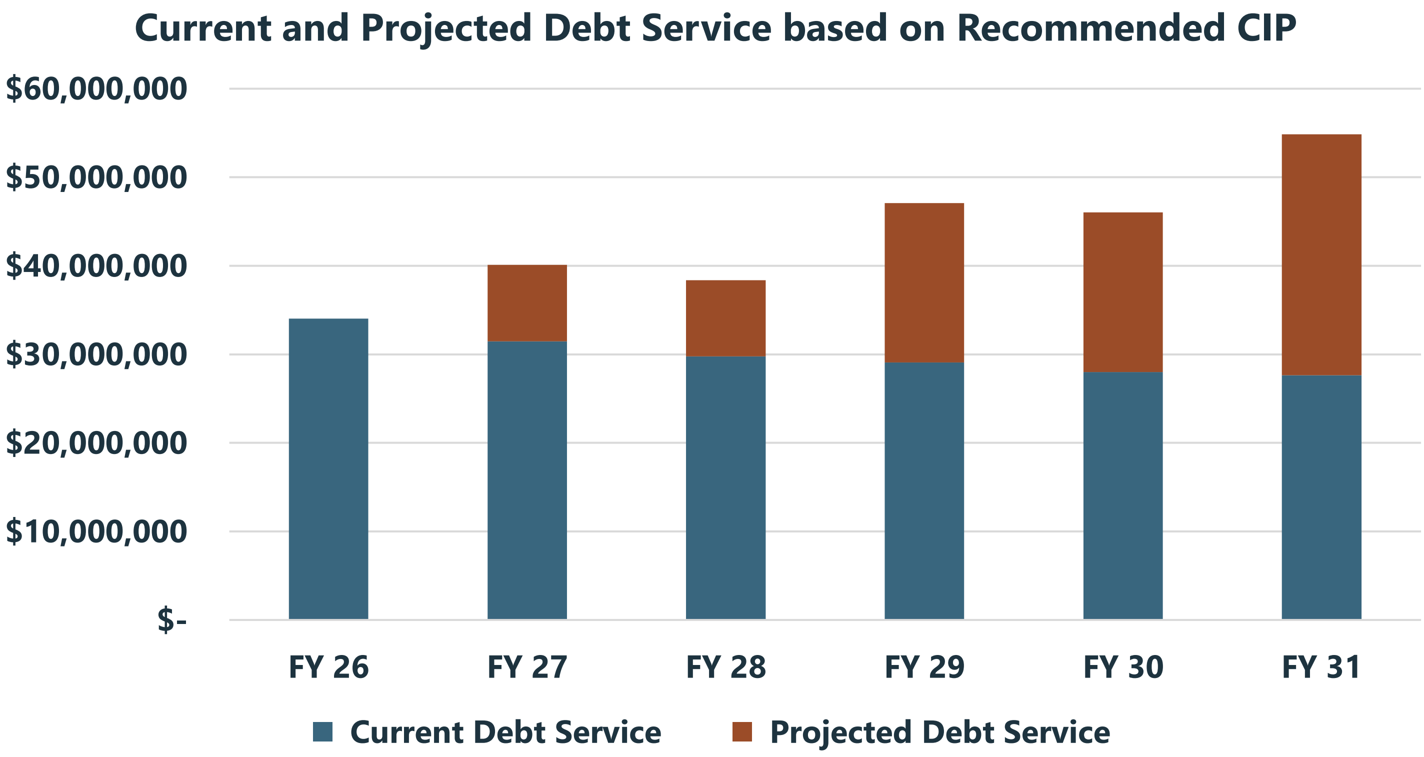
Rivanna Futures

Northern Feeder Pattern Elementary School

County Government & Public Schools Debt Service

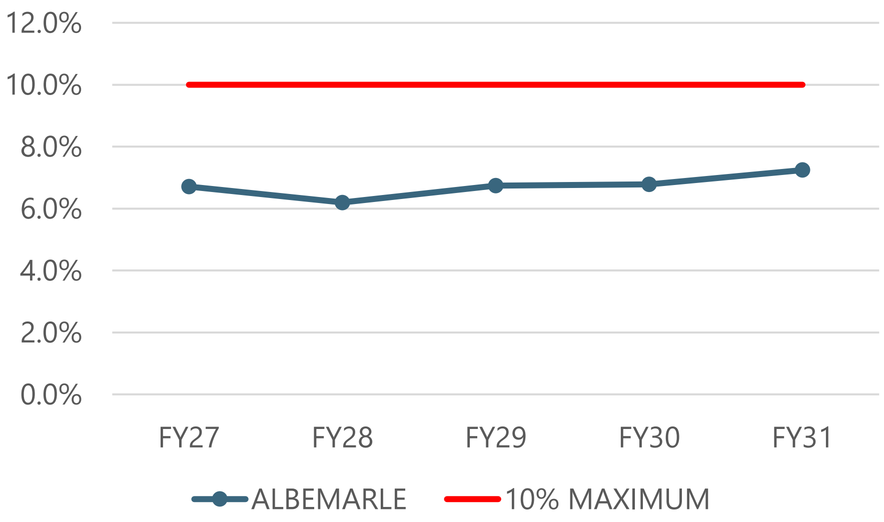


County Government & Public Schools Debt Service

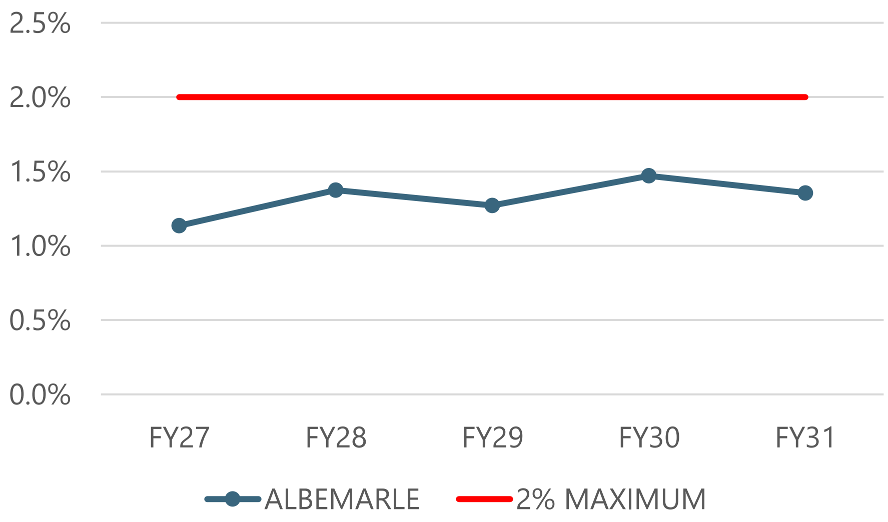


Financial Management Policies: Debt

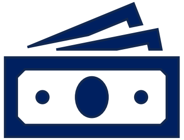
Debt Service as Percentage of General Fund and School Fund Revenues



Outstanding Debt as a Percentage of Assessed Value of Taxable Property

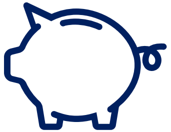


Securing the Future:
Sound Financial Policies



INCREASED FISCAL FLEXIBILITY

REDUCED BORROWING COSTS



MAXIMIZE TAX DOLLARS

INCREASED PUBLIC CONFIDENCE

ABILITY TO DO MORE OVER TIME

AAA/AAA/Aaa
Bond Rating

Capacity versus Affordability

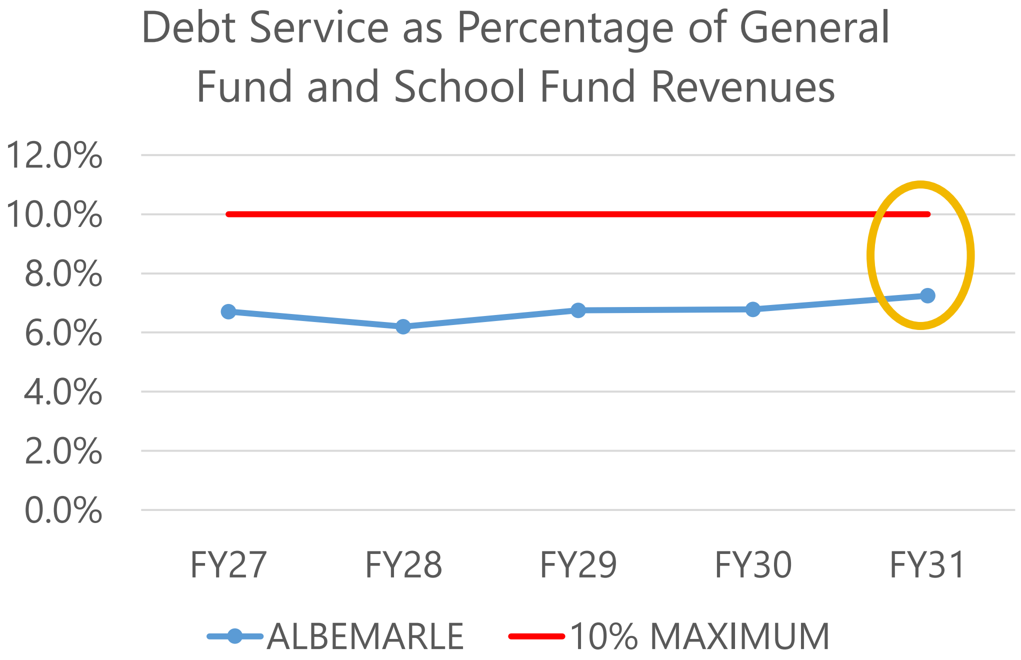
Capacity
Government's maximum amount of debt that it can legally and/or prudently incur while maintaining financial sustainability and acceptable debt ratios

Individual: *What is the maximum loan amount the bank has approved for you to purchase a home?*

Affordability
Government's ability to pay the annual debt service (principal and interest) within its operating budget without compromising essential services or financial health

Individual: *Realistically, how much should your monthly mortgage payment be based on your income to account for other expenses and priorities that you may be responsible for?*

FY 27 – 31 Recommended CIP,
Comparison to Financial Policies adopted Nov 2025



- The Recommended CIP is planned to stay below 8% of General Fund and School Revenues going to Debt Service through FY 31.
- The County has **capacity** to pursue more in debt service, but does not currently have the **affordability** to do so.

Capital Improvement Program (CIP)

Pages 243 - 276

December 3, 2025 Joint Board Meeting

How might a high school or other priority capital projects be funded?

Summary

A. Legislative Priorities: 1% sales tax referendum

B. Reprioritization of future revenue growth

C. Reprioritization of CIP

D. Evaluate unused parcels for highest and best use

E. Property taxes: rates and/or composition of tax base

Implementation of major capital projects would require combination of these options, partnership, & multi-year planning

FY 27 Recommended Budget and CIP

How might a major priority capital projects be funded?

A. Legislative Priorities: 1% sales tax referendum
   - Monitoring State Budget

B. Reprioritization of future revenue growth
   - $12.8M Placeholder in FY 31 for TBD priority project
     - $6.4M in FY 27 Recommended Budget set aside for future CIP placeholder
     - $6.4M in FY 28 Recommended CIP set aside for future CIP placeholder

C. Reprioritization of CIP
   - $8.0M in Renovation funding reprioritized to Northern Elementary School Cost Increase
   - $8.0M in Renovation funding reprioritized to School Placeholder in Year 5

D. Evaluate unused parcels for highest and best use
   - Longer-term response

E. Property taxes: rates and/or composition of tax base
   - Longer-term response

Implementation of major capital projects would require combination of these options, partnership, & multi-year planning

Introduction to CIP

Capital Budget: Appropriated, first year

- Includes projects re-appropriated from prior years

Capital Improvement Program (CIP)

- Years 2-5
- Adopted Plan for years FY 27 – 30 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 27 – 31 CIP
Assumptions & Approach

1. Starting point is the balanced FY 26 – 30 Adopted CIP

2. Update financial assumptions
   - Such as project costs, interest rates for borrowing costs, project timing, CIP revenues

3. December 3 Joint meeting with School Board

4. To extent possible, include new projects guided by Strategic Plan

Changes since December Joint Meeting

<u>Expenditures Changes</u>

Cost updates for ongoing programs

- ($2.4 million) decrease for County Government
- $6.2 million increase for Public Schools.

Increase added to Existing Project:

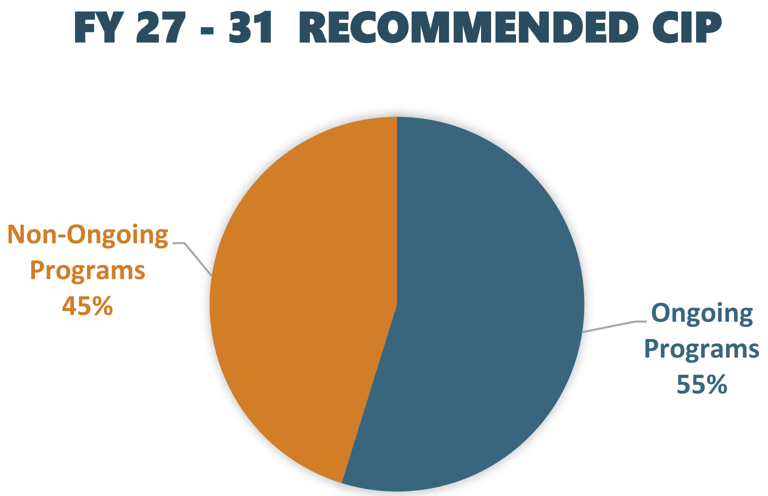
- +$8.0 million for Northern Elementary School, funded by re-allocating School Renovations FY 27 & FY 28

New Projects Added, Expanded, Reprioritized:

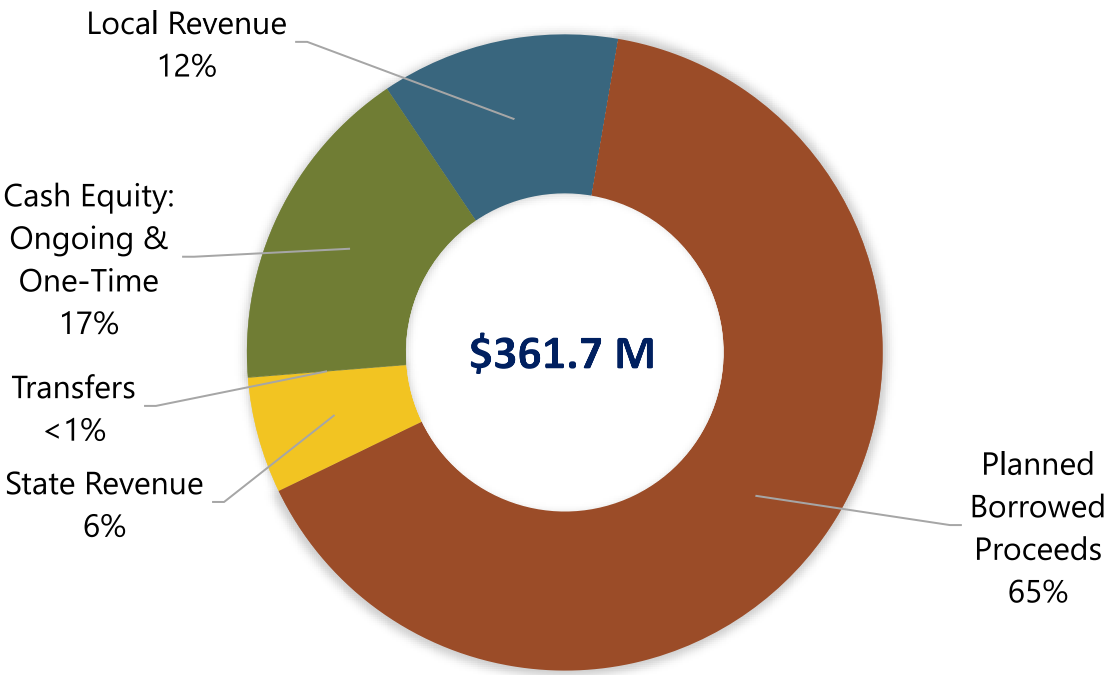
- $40.8 M Boulders Road added in FY 27 with primarily state, developer, & County economic development
- $8.0 M School Placeholder added in FY 31 by re-allocating School Renovations FY 29 and FY 30 funding
- $12.8 M added in “Other” Category as a placeholder in FY 31
- $1.1 M Community Non-Profit Capital Requests
- $2.0 M Fire Rescue Self-Contained Breathing Apparatus (SCBA) added as a replacement project in FY 31
- Northern Convenience Center construction delayed from FY 27 to FY 28

Ongoing Programs for the CIP & Financial Management Policies

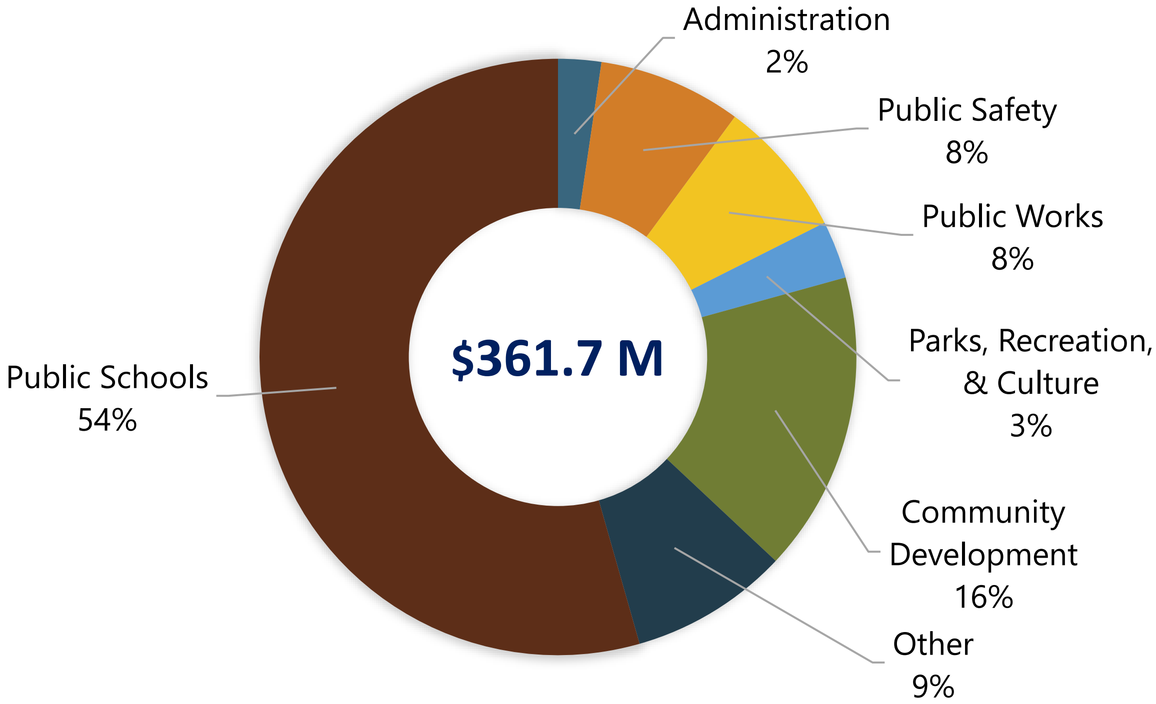
- County Government Owned Facilities and Parks
- Co-Owned Facilities and Parks
- County Technology Roadmap
- Fire Rescue Apparatus Replacement Program
- Fire Rescue Self-Contained Breathing Apparatus (SCBA) Replacement
- Ivy Landfill Remediation
- Moore's Creek Debt Service
- Project Management & Administrative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



Recommended FY 27 – 31 CIP Revenues



Recommended FY 27 – 31 CIP Expenditures



Six Strategic Goals

Capital Improvement Plan

Schools Summary

$196.8 M

	27	28	29	30	31
Northern Feeder Pattern Elementary School	✓	✓			
Maintenance and Replacement	✓	✓	✓	✓	✓
School Bus Replacement	✓	✓	✓	✓	✓
Project Management	✓	✓	✓	✓	✓
School Network Infrastructure	✓	✓	✓	✓	✓
School Placeholder					✓

Capital Improvement Plan
Local Government Summary

$160.3M

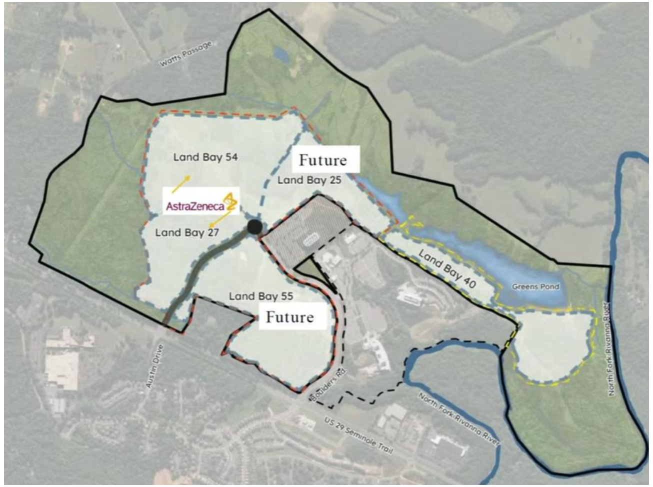
	27	28	29	30	31
Transportation Leveraging Program	✓		✓		
Boulders Road	✓				
Northern Convenience Center		✓			
County Office Building Renovations	✓				
Central Library Renovation	✓		✓		
Community Non-Profits	✓	✓	✓		
CIP Priorities Placeholder					✓
Maintenance/Replacement and Ongoing Programs	✓	✓	✓	✓	✓

INVESTMENT IN ACTION

SUPPORTS GOAL: 3

Boulders Road

FY 27:
$40.8 M



This project is the product of a State, Developer, and County agreement to share costs to extend Boulders Road on the Rivanna Futures site.

This project includes offsetting revenues from the state, developer, Economic Development Fund, and the Economic Development Authority.

INVESTMENT IN ACTION

SUPPORTS GOAL: 3

Transportation

FY 27, 29:
Total $18.1M

Funding supports high priority transportation projects and initiatives

Leverages state, federal, and developer funding

Projects included:

- Eastern Avenue
- Hydraulic Road/Lambs Lane

INVESTMENT IN ACTION

SUPPORTS GOAL: 3

Northern Convenience Center

FY 28:
Total $1.3 M

Development of a Northern Albemarle County Solid Waste Convenience Center.

INVESTMENT IN ACTION

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 ACTION

SUPPORTS GOAL: 4

Darden Towe Athletic Fields FY 27: Total $0.8 M

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

INVESTMENT IN ACTION

SUPPORTS GOAL: 6

Workplace – Facility Renovations

FY 27
Total $1.4 M

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

INVESTMENT IN ACTION

SUPPORTS GOAL: 3

CIP Priorities Placeholder

FY 31
Total $12.8 M

This placeholder is to provide flexibility in the out years of this CIP to address high-priority projects approved by the Board of Supervisors.

The use of this placeholder would be refined in a future CIP process.

Community Non-Profit Capital Process

Revised framework for Community Non-Profit Capital Process initially approved by Board of Supervisors in July of 2023 and has been reviewed annually

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 27 - 31 Capital Improvement Plan.
4. The project should leverage funding

Community Non-Profit Capital Process

Continuing expectations from the prior year's process:

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 ACTION

SUPPORTS GOALS: 1 4

Bennett's Village
FY 27
Total: $250,000

Dogwood Vietnam Memorial
FY 27
Total: $250,000

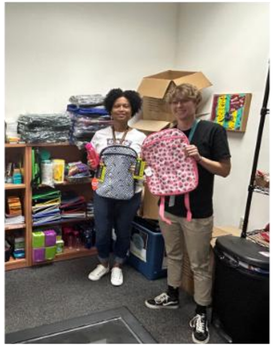
Salvation Army
FY 28-29
Total: $500,000

Stony Point Volunteer Fire Company
FY 27
Total: $50,000

Town of Scottsville
FY 27
Total: $87,000

04

Next Steps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