



CITY MANAGER'S PROPOSED FY26 BUDGET PRESENTATION

March 4, 2025

BUDGET FACTS

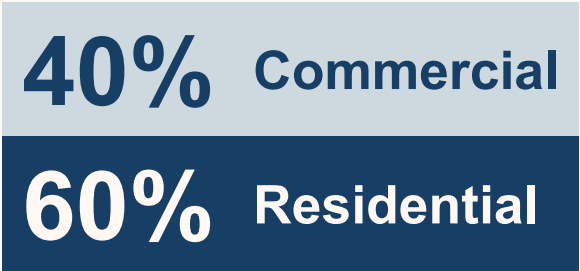
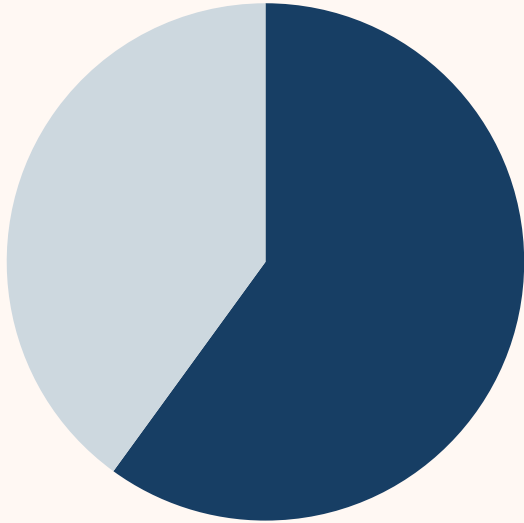
- **Revenue/Expenditure Total: \$264,474,183**
- **Growth in Revenue: \$12,550,000**
- **Growth of Budget: 4.97% Increase Over Prior Year**

ECONOMIC OUTLOOK

Charlottesville by the Numbers	
\$251,948,630	General Fund Budget (FY25)
10.2	Square Miles
2.5%	Unemployment rate - lower than the state (3.0%) and national (4.0%) average
3.8%	Annual employment growth percentage which leads Virginia
51,743	Residents in 2024

REAL ESTATE ASSESMENTS

CITY'S TAX BASE



\$527,100	Average value of residential property in 2025
8.18%	Residential assessment increase
6.14%	Commercial assessment increase
6.52%	Annual rate of appreciation over the past 10 years



FY26 BUDGET IS BALANCED

\$264,474,183

GENERAL FUND

NO TAX INCREASE INCLUDED

The tax rates remain the same in Fiscal Year 2026

- Lodging Tax Rate: 9.0%
- Meals Tax Rate: 7.0%
- Personal Property Tax Rate: \$4.40/\$100
- Real Estate Tax Rate: \$.98/\$100

STRATEGIC OUTCOME AREAS

1. Affordable Housing
2. Public Safety
3. Organizational Excellence
4. Transportation
5. Climate Action
6. Partnerships
7. Education
8. Economic Prosperity
9. Recreation, Art, Culture
10. Commitment to Justice, Equity, Diversity, Inclusion

FY26 BUDGET DRIVERS

- Schools
- Transportation
- Affordable Housing
- Organizational Excellence

INVESTING IN OUR SCHOOLS

- \$4.9M Contribution to Charlottesville City Schools
- \$1.4M per year for priority capital improvement initiatives
- \$1.3M per year for ongoing maintenance and improvements

TRANSPORTATION

- Support CAT pursuit of climate innovation in transit & pupil divisions
- New Sidewalks Program funded at \$5.4M in all five CIP years as presented
- Stribling Sidewalk fully funded – completion Fall 2027
- Rivanna Conservation Alliance *Riverview Park Project* funded - \$250,000

AFFORDABLE HOUSING

- **\$12.7M Investments**

- \$1M - 501 Cherry Avenue
- \$3M - Final phase of the original \$15M redevelopment program with CRHA
- \$5M - First of three contributions to the redevelopment of Westhaven
- \$1.5M - Charlottesville Affordable Housing Fund
- \$1.3M - Carlton Mobile Home Park Debt Service
- \$900,000 – CSRAP
- \$202,000 - Rental and Tax Relief Programs

\$53M allocated in FY26-30 Capital Improvement Program

AFFORDABLE HOUSING

- Homeless Services
 - \$250,000 annually to Blue Ridge Area Coalition for the Homeless (BRACH)
 - \$500,000 annually to operate a low barrier homeless shelter
 - \$1 million in FY26-30 CIP to replace lost revenues of Salvation Army Thrift Store

ORGANIZATIONAL EXCELLENCE

- Four Collective Bargaining Agreements
- Unaffiliated Workforce
 - 2% step increase
 - 1% pay scale adjustment
- 1% Retiree COLA
- Significant increase to general operating costs
- Modernization of Systems/Processes/Procedures

AIDING OUR COMMUNITY

- \$2.3M - Vibrant Community Fund received 66 proposals for \$2.3M allocation
- \$1M - Pathways Fund to provide direct aid to community members in crisis
- \$85,000 - CAYIP Expansion for youth employment program
- \$60,000 - DHS: Emergency Hotel Program for unhoused families
- \$150,000 – Home to Hope Direct Assistance increase

PROTECTING OUR COMMUNITY

- Police and Fire equipment funds for emergency response
- Formation of a comprehensive Emergency Management framework
- Social Services - additional Adult Protection Services position
- Human Services - reclassifications of existing FTEs
- \$2M per year to support the implementation ADA Transition Plan
- Operational increases at ACRJ, Blue Ridge Detention, ECC, OAR

ENRICHING OUR COMMUNITY

- Initial \$500k CIP allocation to focus to remove access barriers existing assets
 - Allocated \$250,000 to support plan for Riverview Park parking lot
 - Revisiting in upcoming years after the Plan is adopted next month
- Added \$140,000 to Council Strategic Initiatives Fund
- Activating \$500,000 City Manager's Discretionary Fund to engage our community
 - Events
 - Quality of Life
 - Attracting Visitors

MANAGEMENT PRIORITIES

- Healthcare Fund: \$2.4M
- Workman's Compensation: \$203k
- Debt Service
 - General Fund contribution is \$15M (per our financial policy)
- Capital Improvement Plan
 - General Fund contribution is \$8.3M (per our financial policy)
- Partnerships
 - Intergovernmental & Fundamental operational cost increases
 - New multi-year agreement with SPCA (coordinated with Albemarle County)

MANAGEMENT PRIORITIES

- Vacancies
 - Continuing to fill vacancies to reduce the surplus impact
 - Critical positions added this cycle:
 - Zoning Inspector/Urban Forester
 - Requested by the Tree Commission
 - Supported by NDS and Parks & Rec staff
 - Public Works adding 5-person concrete crew for internal projects management
 - City transitioning SRTS Coordinator to our budget per a VDOT change
 - Facilitated vacancy trades to limit budget increase

ARP WRAP UP

- \$18M Total Spent
- \$3.3M Total Encumbered
- **\$1.3M Interest Earnings**

FY24 SURPLUS

FED WATCH

NEXT UP

- **Work Session Series: March 6, 13, 27**
- **1st Tax Rate Public Hearing: March 17**
- **Community Budget Forum (1st Budget Public Hearing): March 20**
- **2nd Tax Rate/Budget Public Hearing: April 7**

BUDGET ADOPTION

April 14th



Charlottesville