



Budget Development Kick-Off

FY 2027 Budget Development

October 6, 2025

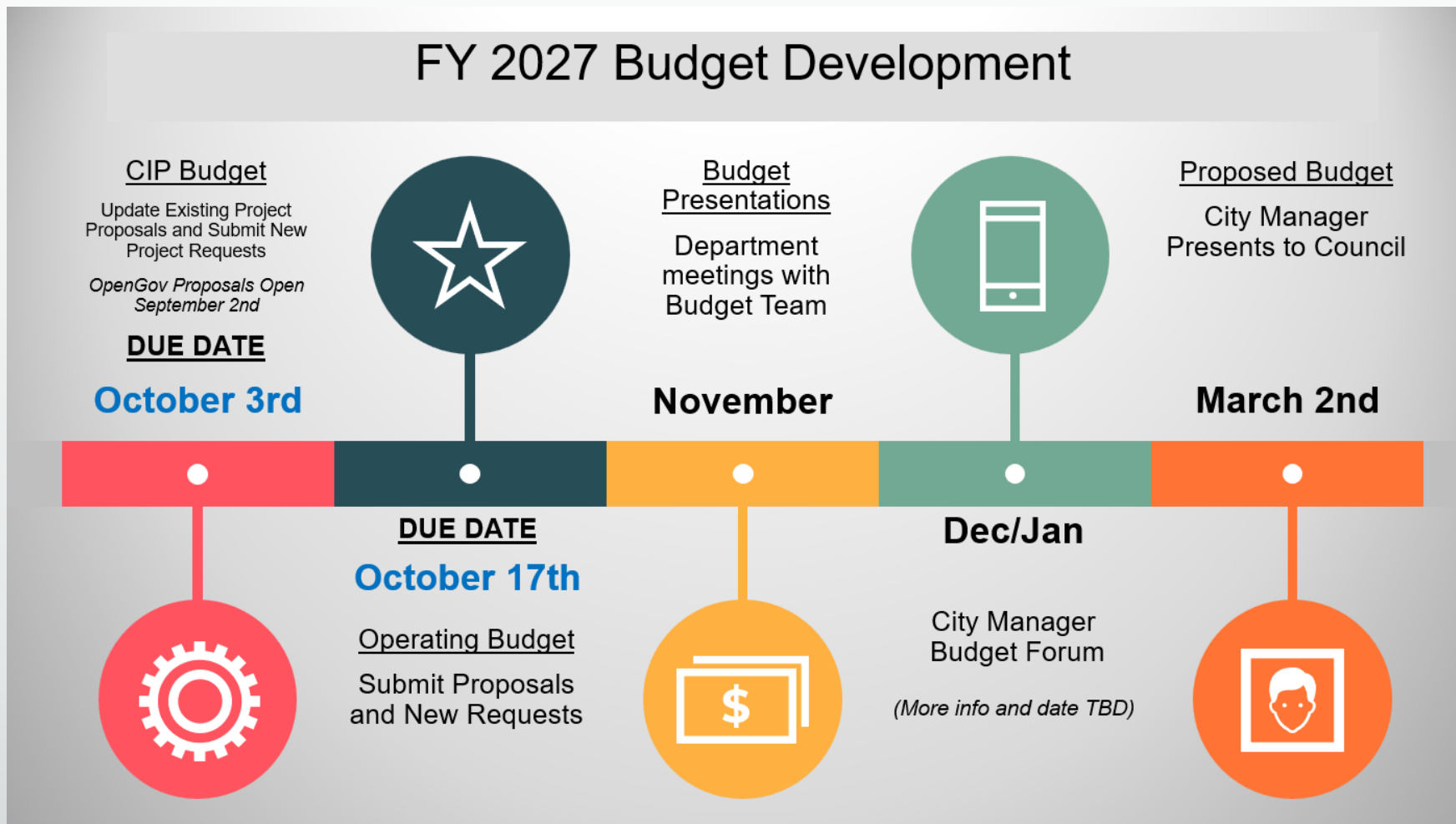


Agenda

- **Staff Budget Development Timeline**
- **Budget Work Sessions**
- **Key Dates**
- **CIP Process**
- **Council Priority Budget Drivers**
- **Long-Term Forecast**
- **Budget Information and Resources**
- **Questions, Comments, Concerns**



Budget Development Timeline – Staff





City Council and School Board Meetings



SAVE THE DATES

Joint Meeting – Budget Priorities Discussion

December 18, 2025

Walker School Cafeteria

5:00 pm

Joint Meeting – School Board Budget
Preview

February 9, 2026

Time and Location TBD



Budget Briefings

Public Safety – October 6, 2025

Transportation – November 3, 2025

Affordable Housing – December 1, 2025



City Manager Budget Forum

Come share your ideas with the City Manager about how to best use City resources for the upcoming budget year.

Dates and Location TBD



Community Budget Forum

SAVE THE DATE

Community Budget Forum

March 19, 2026

City Space, 6:00PM



Come share your ideas with City Council about how to best use City resources for the upcoming budget year.



Budget Work Sessions

March 5

Budget Work Session #1

(FY27 Revenues & Expenditures)

March 12

Budget Work Session #2

(Outside and Non-Profit Agencies)

March 26

Budget Work Session #3

(Capital Improvement Program)

April 2

Budget Work Session #4

(Budget Wrap-up)



Key Dates

- **January 30** - Tax Rate Advertisement Decision
- **March 2**- Proposed City and Adopted School Budgets Presented to Council
- **March 16**- First Tax Rate Public Hearing
- **April 6**- Second Public Hearing Budget and Tax Rate
- **April 9**- Second Reading and Approval



Important Budget Dates

Work Sessions

March 5

March 12

March 26

April 2

Public Hearings

March 16
(Tax Rates)

April 7
(Budget)

Community Budget Forum

March 19

Budget Adoption

April 9



Capital Projects Budget Process

Planning Commission Work Session <i>FY27-31 Capital Improvement Program</i>	November 25, 2025	5:00 PM	City Space
Planning Commission Public Hearing <i>FY27-31 Capital Improvement Program</i>	December 9, 2025	6:30 PM	Council Chamber

Opportunities for the Planning Commission and the Public to review and provide feedback on a draft of the 5-year CIP Plan for FY 2027 - 2031



Council Priority Budget Drivers

Transportation

Affordable Housing

City Schools



Long-Term Forecast

	FY2026 Budget	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2027 Growth
Property Tax	134,850,925	138,263,832	144,811,868	153,133,939	161,951,867	2.5%
Other Taxes	54,198,353	54,198,353	56,044,607	58,038,018	60,123,760	0.0%
Fees and Fines	24,764,955	25,042,666	25,326,510	25,616,650	25,913,251	1.1%
Intergovernmental	37,624,693	38,047,645	38,481,232	38,925,733	39,381,432	1.1%
Other Revenue	13,809,520	13,809,520	13,809,520	13,809,520	13,809,520	0.0%
Total Revenue	\$265,248,446	\$269,362,016	\$278,473,738	\$289,523,860	\$301,179,830	1.6%
Cash Compensation	55,900,344	57,231,686	58,440,198	59,674,796	60,936,060	2.4%
Benefits	28,982,094	31,395,083	33,911,732	36,566,682	39,340,685	8.3%
Schools Contribution	79,081,294	83,035,359	87,187,127	91,546,483	96,123,807	5.0%
Operating and Other Expenses	77,854,780	79,767,213	81,727,456	83,736,706	85,796,186	2.5%
Capital and Debt Service	23,429,934	24,552,054	25,727,972	26,960,270	28,251,655	4.8%
Total Expenditure	\$265,248,446	\$275,981,394	\$286,994,485	\$298,484,937	\$310,448,394	4.0%
Surplus/Deficit	\$0	(\$6,619,378)	(\$8,520,747)	(\$8,961,077)	(\$9,268,564)	
<i>Budget Variance</i>		-2.5%	-3.1%	-3.1%	-3.1%	

FY2027 Key Assumptions

3.5% real property assessment growth
 Reduced personal property revenue to \$14.5M based on YTD information
 Flat growth for non-property tax revenue (e.g., sales tax, meals tax, lodging tax)
 Minimal growth in non-tax revenue (approximately 1.0%)
 Only step increase (no payscale adjustments) except where agreements are in place
 15.0% growth in health benefits (to build up the reserve)
 Compensation increase + 3.0% growth for pension contributions based on historical trends and the City's 80% funding goal
 5.0% increase for schools contribution
 Inflationary growth (2.5%) for non-personnel operating costs
 Historical growth (4.8%) for capital and debt service



Budget Information and Resources

Check out our Website!
www.Charlottesville.gov/budget



Questions, Comments, Concerns