

CITY OF CHARLOTTESVILLE
OPERATING & CAPITAL IMPROVEMENT
BUDGET
ADOPTED FISCAL YEAR 2025/2026



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Planning Commission Work Session

FY 2026 – 2030

Capital Improvement Plan Discussion

November 26, 2024



Overview

- Overview of a Capital Improvement Program (CIP)?
- Draft 5-Year Plan Review by Category
- Responses to Planning Commission Feedback from September
- What's Next?
- Resources for More Information



What is a Capital Project?

Special characteristics:

- Essential Public Purpose
- Long Useful Life (5 year minimum)
- Non-recurring/Non-Operational
- Expensive (> \$50,000)



What is a Capital Budget?

- Multi-year plan(5) that forecasts spending (and revenues) for all anticipated capital projects
- Should build on the Comprehensive Plan
- Addresses repair and maintenance of existing infrastructure and development of new facilities



Operating vs Capital

Operating Budget

Shorter Duration

Day to Day Expenses

Capital Budget

Longer Duration

Large Investment



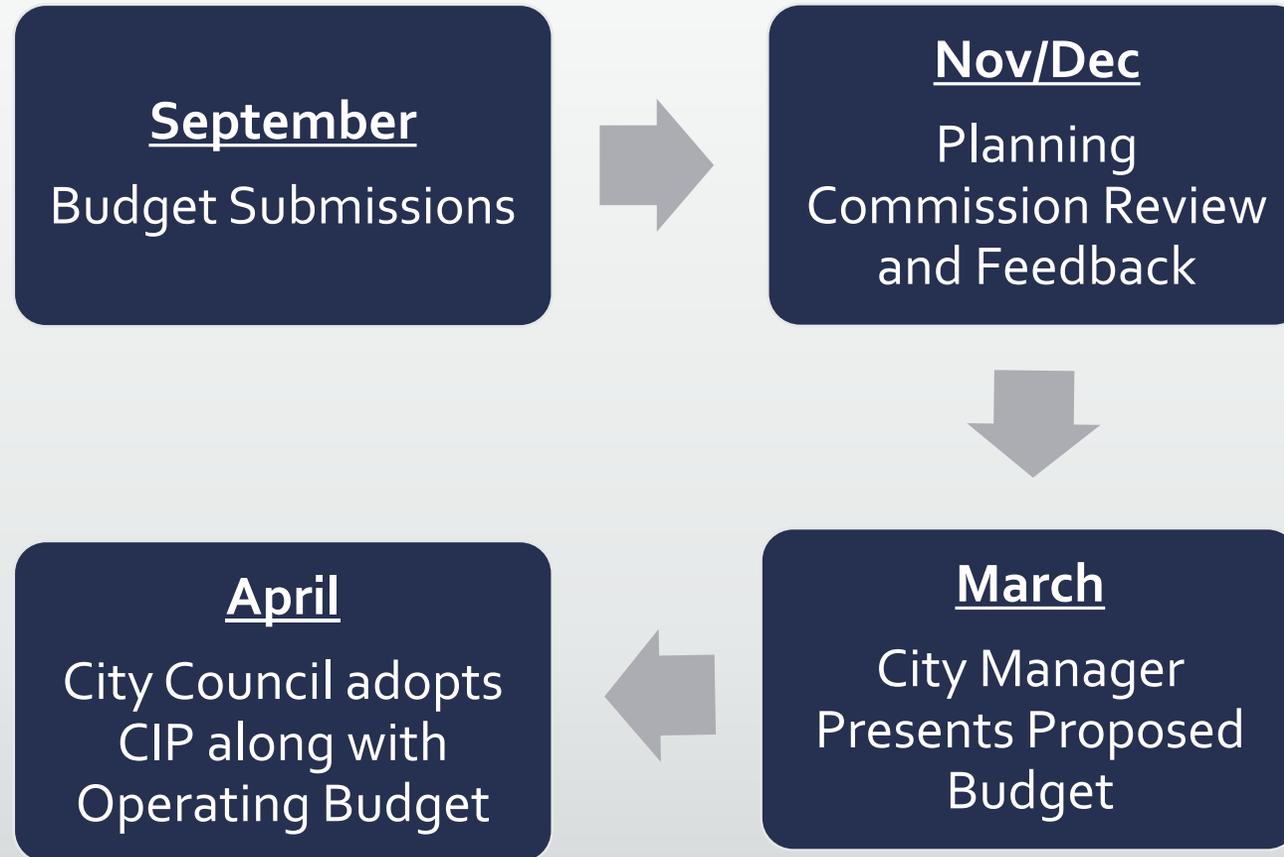
Why do a 5-year Plan?

Provides the framework to ensure long-term capital expenditures are aligned with:

- Community input and expectations
- Priorities of City Council
- The City's financial capability to afford the plan
- Plans for cooperation on regional projects (with Albemarle County, UVA)



CIP Planning Timeline





Evaluation Considerations

Legal Mandate

- Is the project required by actual law, regulation, court mandate, or other legal liability?

Public Health and Safety

- Does the project eliminate or prevent an existing health, environmental, or safety hazard?

City Council/Manager Strategic Work Plan

- Does the project help meet the goals of the City Council/City Manager Strategic Work Plan?

Comprehensive Plan

- Does the project help meet the goals of the City of Charlottesville's current comprehensive Plan?



Evaluation Considerations (continued)

Environmental Sustainability

- Does the project support the City of Charlottesville's climate action goals and commitments?

Infrastructure Investment/Protection

- Does the project protect and preserve the City's infrastructure?

Impact on City Operational Finances/Revenue Generation

- Will the project have a positive, neutral, or negative impact on the City's Operational Finances?



Evaluation - Areas of Special Consideration

- The project ties into other existing or proposed projects.
- There is demonstrated public support for the project.
- Leveraging of outside funding is available for the project.
- The project will be done in partnership with one or more other organizations.
- The project increases the level of service provided by the City.



Funding the CIP - Revenues

	<u>Proposed FY26</u>	<u>Projected FY27</u>	<u>Projected FY28</u>	<u>Projected FY29</u>	<u>Projected FY30</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	8,692,096	8,851,059	9,039,791	9,234,184	11,434,410	47,251,540
Transfer from General Fund - Mall Vendor Fees	100,000	100,000	100,000	100,000	100,000	500,000
Transfer from General Fund - VCF Allocation	575,000	575,000	575,000	575,000	575,000	2,875,000
Contribution from Schools (Small Cap Program)	200,000	200,000	200,000	200,000	200,000	1,000,000
CIP Contingency (from prior year surplus)	0	1,964,486	0	716,749		2,681,235
PEG Fee Revenue	40,000	40,000	40,000	40,000	40,000	200,000
CY 2026 Bond Issue	21,805,539	0	0			21,805,539
CY 2027 Bond Issue	0	26,341,329	0			26,341,329
CY 2028 Bond Issue	0	0	46,395,396			46,395,396
CY 2029 Bond Issue				25,758,755		25,758,755
CY 2030 Bond Issue					10,962,713	10,962,713
TOTAL AVAILABLE REVENUES	\$31,412,635	\$38,071,874	\$56,350,187	\$36,624,688	\$23,312,123	\$185,771,507

*All figures are subject to change until the City Manager's Proposed Budget is released in March 2025.

Budget must be Balanced: Planned Revenues must equal Planned Expenses



Aaa/AAA Bond Rating

- The City is one of only 87 cities nationwide that maintains a “Aaa/AAA” General Obligation rating from Moody’s and S&P
- Only 10 Virginia cities maintain the distinction of being Aaa/AAA rated

Municipality	Moody's	S&P
Alexandria, VA	Aaa	AAA
Charlottesville, VA	Aaa	AAA
Chesapeake, VA	Aaa	AAA
Fairfax, VA	Aaa	AAA
Falls Church, VA	Aaa	AAA
Herndon, VA	Aaa	AAA
Leesburg, VA	Aaa	AAA
Suffolk, VA	Aaa	AAA
Vienna, VA	Aaa	AAA
Virginia Beach, VA	Aaa	AAA



The City's Bond Rating

- Credit ratings are an independent view on a municipalities creditworthiness and ability to repay its debt
- Charlottesville has maintained the highest possible general obligation credit ratings:
- Aaa from Moody's Investors Service since 1973
- AAA by Standard & Poor's since 1964
- A high credit ratings allows the City to borrow funds at the lowest possible borrowing cost and ensures more money is going toward capital projects than interest payments.
- A high credit rating is also helpful in attracting economic development prospects.
- The City talks with the rating agencies on an annual basis.



Summary

	CITY MANAGER PROPOSED 5-YEAR PLAN					
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Totals
Sources of Funds:						
General fund transfer	\$ 9,367,096	\$ 9,526,059	\$ 9,714,791	\$ 9,909,184	\$ 12,109,410	\$ 50,626,539
CIP Contingency	-	1,964,486	-	716,750	-	\$ 2,681,236
Bond issues	21,805,539	26,341,329	46,395,396	25,758,755	10,962,713	\$ 131,263,732
Contribution from Schools	200,000	200,000	200,000	200,000	200,000	\$ 1,000,000
Other	40,000	40,000	40,000	40,000	40,000	\$ 200,000
Total sources	\$ 31,412,635	\$ 38,071,874	\$ 56,350,187	\$ 36,624,689	\$ 23,312,123	\$ 185,771,507
Uses of funds:						
Education	\$5,757,489	\$8,900,000	\$30,900,000	\$4,900,000	\$3,400,000	\$53,857,489
Facilities Capital Projects	\$2,946,794	\$3,566,264	\$2,743,930	\$12,443,950	\$1,792,165	\$23,493,102
Public safety and justice	\$1,040,918	\$1,817,065	\$841,864	\$1,832,806	\$1,108,958	\$6,641,611
Transportation and access	\$6,830,234	\$8,670,645	\$10,368,293	\$7,996,133	\$7,706,000	\$41,571,305
Parks and recreation	\$1,665,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$6,465,000
Affordable Housing	\$12,732,200	\$13,477,900	\$10,006,100	\$7,961,800	\$7,815,000	\$51,993,000
Technology Infrastructure	\$440,000	\$440,000	\$290,000	\$290,000	\$290,000	\$1,750,000
Total uses	\$ 31,412,635	\$ 38,071,874	\$ 56,350,187	\$ 36,624,689	\$ 23,312,123	\$185,771,507
Funding Gap	\$0	\$0	\$0	\$1	\$0	\$0

*All figures are subject to change until the City Manager's Proposed Budget is released in March 2025.



Education

\$5,757,489 in FY 2026, \$53.9M 5-year Total

EDUCATION	Proposed	Projected	Projected	Projected	Projected	5 Year
Project	FY26	FY27	FY28	FY29	FY30	Total
Lump Sum to Schools (City Contribution)	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
City Schools HVAC Repair	750,000	750,000	750,000	750,000	750,000	3,750,000
City Schools Priority Improvement Projects	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	6,250,000
Charlottesville High School Roof Replacement	2,357,489	0	0	0	0	2,357,489
Charlottesville City School Reconfiguration	0	0	0	0	0	0
Charlottesville Walker School Pre-K Center	0	4,000,000	26,000,000	0	0	30,000,000
Clark Elementary School Windows Replacement	0	0	0	0	0	0
Burnley-Moran Elementary School Roof Replacement	0	1,500,000	0	0	0	1,500,000
Jackson-Via Elementary School Roof Replacement	0	0	1,500,000	0	0	1,500,000
Johnson Elementary School Roof Replacement	0	0	0	1,500,000	0	1,500,000
School Small Capital Improvements Program	200,000	200,000	200,000	200,000	200,000	1,000,000
SUBTOTAL	\$5,757,489	\$8,900,000	\$30,900,000	\$4,900,000	\$3,400,000	\$53,857,489

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Facilities Capital Projects

\$2,946,794 in FY 2026, \$23.5M 5-year Total

FACILITIES CAPITAL PROJECTS	Proposed FY26	Projected FY27	Projected FY28	Projected FY29	Projected FY30	5 Year Total
Project						
Lump Sum to Facilities Capital Projects	1,119,956	1,159,155	1,193,930	1,217,809	1,242,165	5,933,014
City Facility HVAC Replacement	500,000	500,000	500,000	500,000	500,000	2,500,000
City and Schools Solar PV Program	75,000	0	0	0	0	75,000
General District Court - FFE and Hearing Room	201,838	0	0	0	0	201,838
Climate Action Initiatives	1,000,000	1,000,000	1,000,000	1,000,000	0	4,000,000
Jefferson-Madison Regional Library Renovations	0	857,109	0	9,676,141	0	10,533,250
HVAC Contingency Fund - City and School Facilities	50,000	50,000	50,000	50,000	50,000	250,000
SUBTOTAL	2,946,794	3,566,264	2,743,930	12,443,950	1,792,165	23,493,102

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Public Safety and Justice

\$1,040,918 in FY 2026, \$6.6M 5-year Total

PUBLIC SAFETY AND JUSTICE

<u>Project</u>	<u>Proposed FY26</u>	<u>Projected FY27</u>	<u>Projected FY28</u>	<u>Projected FY29</u>	<u>Projected FY30</u>	<u>5 Year Total</u>
Replacement Fire Apparatus	0	1,334,065	0	1,470,806	0	2,804,871
Replacement EMS Apparatus	458,918	0	481,864	0	505,958	1,446,740
Bypass Fire Station (old building) Repurpose/Upfit	100,000	0	0	0	0	100,000
Police Mobile Data Terminals	82,000	83,000	85,000	87,000	88,000	425,000
Police Portable Radio Replacement	75,000	75,000	75,000	75,000	75,000	375,000
Fire Portable Radio Replacement	75,000	75,000	75,000	75,000	75,000	375,000
Sheriff Portable Radio Replacement	40,000	40,000	40,000	40,000	40,000	200,000
Fire - Self-Contained Breathing Apparatus Replacements	150,000	150,000	25,000	25,000	25,000	375,000
Fire - Protective Clothing/Turnout Gear Replacement	60,000	60,000	60,000	60,000	300,000	540,000
SUBTOTAL	\$1,040,918	\$1,817,065	\$841,864	\$1,832,806	\$1,108,958	\$6,641,611

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Transportation and Access

\$6,830,234 in FY 2026, \$41.6M 5-year Total

TRANSPORTATION AND ACCESS	Proposed	Projected	Projected	Projected	Projected	5 Year
Project	FY26	FY27	FY28	FY29	FY30	Total
New Sidewalks	910,000	776,000	1,193,000	1,194,000	631,000	4,704,000
Sidewalk Repair	500,000	500,000	650,000	700,000	700,000	3,050,000
SIA Immediate Implementation	200,000	200,000	200,000	200,000	200,000	1,000,000
Small Area Plans	150,000	150,000	150,000	150,000	150,000	750,000
Street Milling and Paving	1,250,000	1,500,000	1,700,000	1,750,000	2,000,000	8,200,000
ADA Pedestrian Signal Upgrades	240,000	240,000	240,000	0	0	720,000
Minor Bridge Repairs	225,000	225,000	225,000	0	0	675,000
Citywide ADA Improvements - Sidewalks and Curbs	100,000	100,000	100,000	100,000	100,000	500,000
Traffic Signal Infrastructure Replacement	250,000	2,000,000	3,000,000	1,000,000	1,000,000	7,250,000
ADA Transition Plan	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
State Bridge and Highway Inspections	100,000	100,000	100,000	100,000	100,000	500,000
CAT Transit Bus Replacement Match	245,234	169,645	150,293	77,133	150,000	792,305
Intelligent Transportation System	185,000	185,000	185,000	200,000	200,000	955,000
City Wide Traffic Engineering Improvements	150,000	150,000	150,000	150,000	150,000	750,000
Neighborhood Transportation Improvements	100,000	100,000	100,000	100,000	100,000	500,000
Bicycle Infrastructure	100,000	100,000	100,000	100,000	100,000	500,000
Right of Way Appurtenance	100,000	100,000	100,000	100,000	100,000	500,000
Traffic Sign Retro Reflective Compliance	25,000	25,000	25,000	25,000	25,000	125,000
Historic District and Entrance Corridor Design Guidelines	0	50,000	0	50,000	0	100,000
SUBTOTAL	\$6,830,234	\$8,670,645	\$10,368,293	\$7,996,133	\$7,706,000	\$41,571,305

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Parks and Recreation

\$1,665,000 in FY 2026, \$6.5M 5-year Total

PARKS AND RECREATION	Proposed	Projected	Projected	Projected	Projected	5 Year
Project	FY26	FY27	FY28	FY29	FY30	Total
Downtown Mall Infrastructure Repairs	100,000	100,000	100,000	100,000	100,000	500,000
Parks and Recreation Lump Sum Account	400,000	400,000	400,000	400,000	400,000	2,000,000
Parks and Schools Playground Renovations	200,000	200,000	200,000	200,000	200,000	1,000,000
Urban Tree Planting	125,000	125,000	125,000	125,000	125,000	625,000
Parkland and Trails Acquisition and Development	125,000	125,000	125,000	125,000	125,000	625,000
Oakwood Cemetery Drainage and Road Issues	150,000	0	0	0	0	150,000
Hazard and Liability Ash Tree Removal	0	0	0	0	0	0
Downtown Mall Trees Active Lifecycle Management	100,000	100,000	100,000	100,000	100,000	500,000
Invasive Plant Removal	150,000	150,000	150,000	150,000	150,000	750,000
Downtown Mall Tree Management Plan	315,000	0	0	0	0	315,000
SUBTOTAL	\$1,665,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$6,465,000

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Technology Infrastructure

\$1,665,000 in FY 2026, \$6.5M 5-year Total

TECHNOLOGY INFRASTRUCTURE	Proposed	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>Total</u>
Communications Technology Account/Public Access	40,000	40,000	40,000	40,000	40,000	200,000
City Wide IT Strategic Infrastructure	250,000	250,000	250,000	250,000	250,000	1,250,000
Voting Equipment Replacement	150,000	150,000	0	0	0	300,000
SUBTOTAL	\$440,000	\$440,000	\$290,000	\$290,000	\$290,000	\$1,750,000

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Affordable Housing

\$12,732,200 in FY 2026, \$52M 5-year Total

AFFORDABLE HOUSING	Proposed	Projected	Projected	Projected	Projected	5 Year
Project	FY26	FY27	FY28	FY29	FY30	Total
Public Housing Redevelopment - (CRHA)	3,000,000	0	0	0	0	3,000,000
Westhaven Redevelopment	5,000,000	5,000,000	5,000,000	0	0	15,000,000
Charlottesville Affordable Housing Fund (CAHF)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Supplemental Rental Assistance (CSRAP)	900,000	900,000	900,000	900,000	900,000	4,500,000
Friendship Court Infrastructure Improvements	0	650,000	350,000	1,560,000	840,000	3,400,000
Friendship Court Redevelopment - Phase 3	0	2,047,500	1,102,500	0	0	3,150,000
Friendship Court Redevelopment - Phase 4	0	0	0	2,925,000	1,575,000	4,500,000
PHA - 501 Cherry Avenue	1,000,000	2,150,000	0	0	0	3,150,000
Carlton Mobile Home Park	1,332,200	1,230,400	1,153,600	1,076,800	3,000,000	7,793,000
SUBTOTAL	\$12,732,200	\$13,477,900	\$10,006,100	\$7,961,800	\$7,815,000	\$51,993,000

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Planning Commission Review

Following the FY26 Budget Kick off at the Council meeting on Monday September 16, 2024, the Planning Commission held a discussion at their September 24, 2024 work session to kick off review of the Capital Improvement Program (CIP) section. Commissioners had been asked to think about potential priorities following review of last year's materials.

The following feedback was provided for consideration:

- Provide additional funding for multimodal transportation (walking, biking, transit etc.) o Sidewalk funding needs to be restored and increased.
- Funding for community infrastructure to allow for implementation of the Comprehensive Plan. This includes utilities and transportation.
- Adequate funding to complete the Smart Scale projects currently funded.
- Provide for the human capital needed to accomplish funded projects.
- Fund the Downtown Mall initiatives (tree study, infrastructure, etc.)
- Continue commitment to affordable housing and support homelessness needs.



PC Feedback Item # 1: Multimodal Transportation

Provide additional funding for multimodal transportation (walking, biking, transit etc.). Sidewalk funding needs to be restored and increased.

- For the FY 26-30 CIP an additional \$4.2M has been added for the construction of new sidewalks as detailed on the priority list
- \$2M/yr for a total of \$10M has been added to help remediate ADA barriers
- For FY25, the City continued its commitment to CAT by increasing its investment by \$1.8M (from the General Fund) and by participating in discussions regarding a regional system



PC Feedback Item #2: Community Infrastructure

Funding for community infrastructure to allow for implementation of the Comprehensive Plan. This includes utilities and transportation.

- Each project in the 5-year plan has been linked to the relevant chapters and goals of the strategic plan.
- For FY26, the current draft includes \$6.8M in projects related to transportation and access through out the City.
- Projects related to the City owed utilities (Gas, Water and Wastewater) are funded in the utility funds which are shown and funded separately from this CIP plan.



PC Feedback Item #3: Smart Scale Projects

Adequate funding to complete the Smart Scale projects currently funded.

- The City Manager confirmed with the VDOT District Engineer a series of changes to the current locally administered program to include canceling two projects, revising the scopes of two projects, and redistributing previously awarded funds to the series of projects in the current portfolio that are stalled due to significant budget gaps.
- Council will consider this action at its December 2nd meeting.
- The Commonwealth Transportation Board will consider the request at its meeting in January, making it possible for all previously funded grant awards to Charlottesville to remain for use within its current portfolio, ensuring no additional project loss.
- Council will consider the reallocation of funds resulting from the CTB's action in January/February.



PC Feedback Item #4: Human Capital for Projects

Provide for the human capital needed to accomplish funded projects.

- Assessment of staffing needs done in 2024 which resulted in 4 additional project manager positions which have all been filled.
- The City completed a reorganization within the Public Works Department
 - Included the addition of a Deputy Director
 - Addition of Project Manager specializing in right of way acquisition
 - Merged ALL project manager teams into a single Facilities Development Team which provides PM specialization for all construction projects regardless of department and built by the city.



PC Feedback Item #5: Downtown Mall Initiatives

Fund the Downtown Mall initiatives (tree study, infrastructure, etc.)

The CIP includes 3 projects related to the Downtown Mall:

- Infrastructure account which is funded by café permit fees and is funded by \$100k/yr
- Downtown Mall Active Lifecycle Tree Management account which is funded at \$100k/yr to help take care of pruning and general maintenance of the trees on the mall
- Downtown Mall Tree Management Plan (new in FY26) \$315k is funded for the development of the plan. Information from the plan will inform the funding in the future years for managing larger scale overall tree plan for the mall.



PC Feedback Item# 6: Affordable Housing and Homelessness Needs

Continue commitment to affordable housing and support homelessness needs.

- FY26 includes \$12.7M in funding for Affordable Housing projects and just under \$52M is included for the 5-year plan.
- The City Manager has been leading discussions with Council on Community Interventions which include homelessness and some potential uses of ARP funding.



What's Next?





CIP Resources

[Budget Explorer Tool](#)

- Current CIP Funding by Project

[Online CIP Budget Book](#)

- Story pages for each project included in 5-year plan

[City Comprehensive Plan](#)

- <https://charlottesville.gov/1111/Comprehensive-Plan>

[City of Charlottesville Budget Webpage](#)

- <https://charlottesville.gov/budget>



Important Budget Dates

Work Sessions

March 6

March 13

March 27

April 10

Public Hearings

March 17
(Tax Rates)

April 7
(Budget)

Community Budget Forum

March 20

Budget Adoption

April 14



Questions and Discussion

www.Charlottesville.gov/budget

