



# **Budget Development Kick-Off**

## **FY 2027 Budget Development**

October 6, 2025

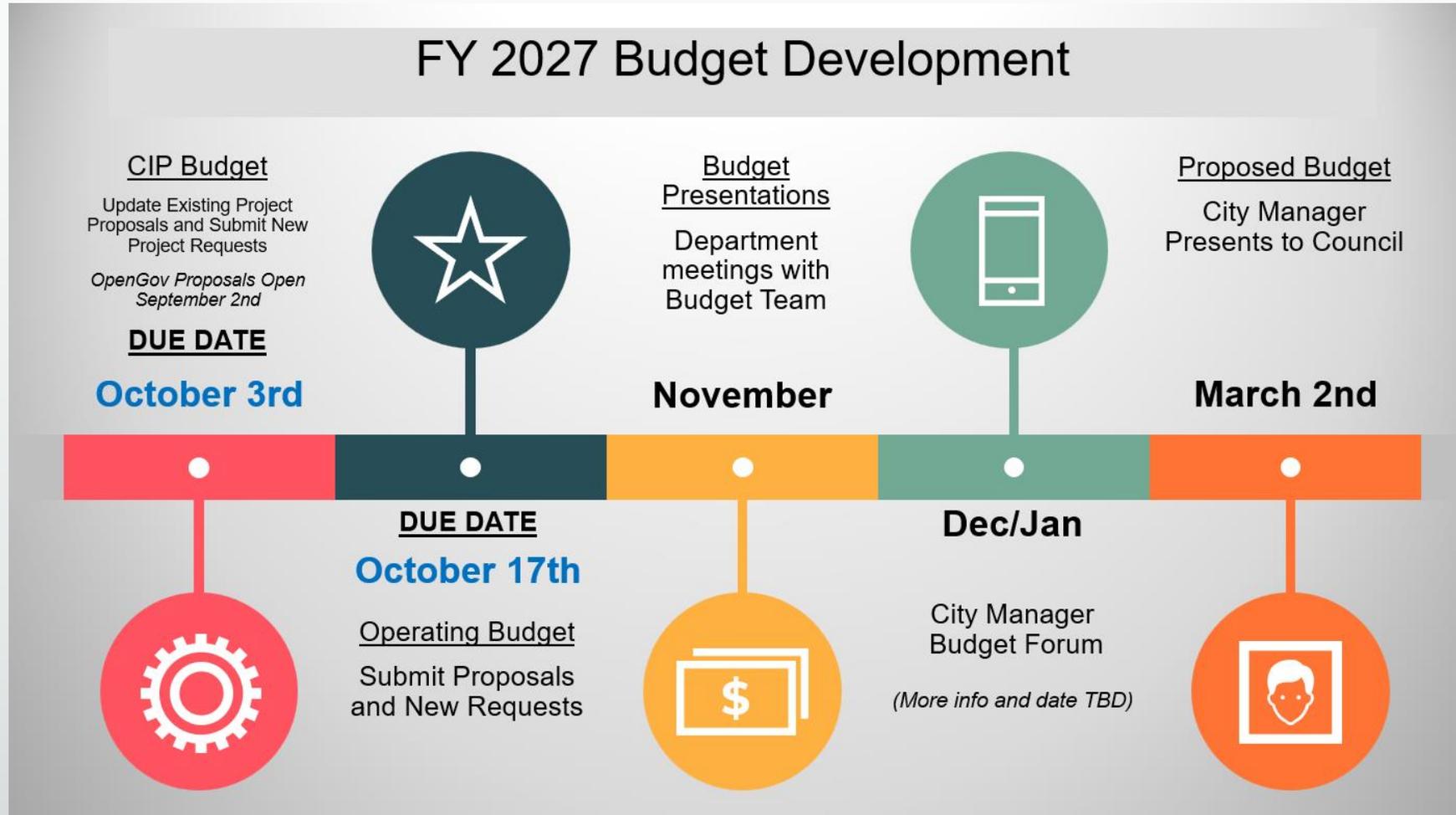


# Agenda

- **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

- |                 |  |
|-----------------|--|
| <b>March 5</b>  | <b>Budget Work Session #1</b><br><i>(FY27 Revenues &amp; Expenditures)</i> |
| <b>March 12</b> | <b>Budget Work Session #2</b><br><i>(Outside and Non-Profit Agencies)</i>  |
| <b>March 26</b> | <b>Budget Work Session #3</b><br><i>(Capital Improvement Program)</i>      |
| <b>April 2</b>  | <b>Budget Work Session #4</b><br><i>(Budget Wrap-up)</i>                   |



## 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

<b>Planning Commission Work Session</b> <i>FY27-31 Capital Improvement Program</i>	November 25, 2025	5:00 PM	City Space
<b>Planning Commission Public Hearing</b> <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%
<b>Total Revenue</b>	<b>\$265,248,446</b>	<b>\$269,362,016</b>	<b>\$278,473,738</b>	<b>\$289,523,860</b>	<b>\$301,179,830</b>	<b>1.6%</b>
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%
<b>Total Expenditure</b>	<b>\$265,248,446</b>	<b>\$275,981,394</b>	<b>\$286,994,485</b>	<b>\$298,484,937</b>	<b>\$310,448,394</b>	<b>4.0%</b>
<b>Surplus/Deficit</b>	<b>\$0</b>	<b>(\$6,619,378)</b>	<b>(\$8,520,747)</b>	<b>(\$8,961,077)</b>	<b>(\$9,268,564)</b>	
<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](http://www.Charlottesville.gov/budget)**



# Questions, Comments, Concerns