

# Policy Briefing Summary

## City Council



<b>Regarding:</b>	<b>Public hearing on the FY2027 City Budget Ordinance, Annual Appropriation, and Tax Levy</b>
<b>Staff Contact(s):</b>	Samuel Sanders, Jr., City Manager, Krisy Hammill, Director of Budget
<b>Presenter:</b>	<b>Krisy Hammill, Director of Budget</b>
<b>Date of Proposed Action:</b>	April 6, 2026

### Issue

Council must vote to adopt an operating budget for FY 2027 and establish the annual tax levy for tax year 2026 on or before April 14, 2026.

### Background / Rule

Pursuant to Section 19 of the Charter of the City of Charlottesville, Virginia ("City"), and Virginia Code Title 15.2, Chapter 25, a Proposed Budget was prepared by the City Manager and presented to City Council for consideration. A Public Hearing was conducted by City Council on the City Manager's Proposed Budget on March 19, 2026, and a Public Hearing on the proposed tax rates to be adopted in support of the Adopted Budget is being held on April 6, 2026. City Council is required to vote on these matters.

### Analysis

Following the Public Hearings, City Council may deliberate and consider any additions, deletions, or modifications of the items presented within the City Manager's Proposed Budget, and consider the proposed annual tax rates. City Council must consider and vote on three (3) items:

1. Ordinance approving the FY-2027 Budget and Annual Appropriation;
2. Ordinance Establishing the Annual Tax Levy for Tax Year 2026; and
3. Resolution Establishing the Personal Property Tax Relief Percentage for Tax Year 2026 (a separate Agenda Memo and Resolution provided by Commissioner Divers will be presented at the Special Meeting to be held on April 9, 2026).

Note the Budget Ordinance authorizes a total General Fund Budget of \$280,553,920, a difference of \$910,522 from the \$279,643,398 presented in the City Manager's Proposed Budget. This amount represents the estimated account balances below that are projected to remain unspent as of June 30, 2026, and will be authorized for expenditure during FY 2027:

<b>Total FY 27 City Manager Proposed General Fund Expenditures</b>	<b>\$ 279,643,398</b>
Historic Resources	40,446
Sister City	28,391
Citywide Reserve	400,000
Council Strategic Initiatives	369,156
Grand Illumination	11,914
Councilor Discretionary Funds	5,000
Minority Business Fund	13,617
Job Fair	41,999
<b>Total General Fund Budget Authorized per the Ordinance</b>	<b>280,553,920</b>

**Financial Impact**

This is the first of two (2) readings of the ordinance to adopt the final budget for Fiscal Year 2027, and sets the real estate and personal property tax rates for 2026.

**Recommendation**

Appropriation and Approval

**Recommended Motion (if Applicable)**

N/A

**Attachments**

1. Tax ORDINANCE
2. FY 27 Budget Appropriation