



Budget Development Kick-Off

FY 2028 Budget Development

October 5, 2026



Agenda

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



Budget Development Timeline – Staff



FY 2028 Budget Development

OpenGov

Departments may begin work on CIP and Operating Budget Submissions

September

October

November

Dec/Jan

March

Budget Presentations

Department meetings with Budget Team

Proposed Budget

City Manager Presents Proposed Budget to City Council

Budgets are Due

CIP - October 2, 2026

Operating - October 16, 2026

Community Budget Meetings

More info and dates TBD



City Council and School Board Meetings



SAVE THE DATES

Joint Meeting – Budget Priorities Discussion

December 2, 2026

CATEC

5:00 pm

Joint Meeting – School Board Budget
Preview

February 10, 2027

CATEC

5:00 pm



City Manager Budget Briefs

The City Manager will update the council on key issues shaping the FY 28 budget during three regularly scheduled Council Meetings.

- 1 November 16, 2026
- 2 December 7, 2026
- 3 December 21, 2026



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 18, 2027

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 4

Budget Work Session #1

(FY27 Revenues & Expenditures)

March 11

Budget Work Session #2

(Outside and Non-Profit Agencies)

March 25

Budget Work Session #3

(Capital Improvement Program)

April 1

Budget Work Session #4

(Budget Wrap-up)



Key Dates

- **March 1-** Proposed City and Adopted School Budgets Presented to Council
- **March 18** - Budget Public Hearing
- **April 5-** Public Hearings - Budget and Tax Rate
- **April 14-** Second Reading and Budget Approval



FY 28 Budget Development Important Budget Dates

Work Sessions

March 4

March 11

March 25

April 1

Public Hearings

March 15
(Tax Rates)

March 18
April 5
(Budget)

Community Budget Forum

March 18

Budget Adoption

April 14



Capital Projects Budget Process

Planning Commission Work Session <i>FY28-32 Capital Improvement Program</i>	November 10, 2026	5:30 PM	Council Chamber
Joint Council/Planning Commission Public Hearing <i>FY28-32 Capital Improvement Program</i>	December 8, 2026	5:30 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 2028 - 2032



Should the City Budget Adoption Be Delayed?

Council expressed some interest in delaying the budget adoption date so that more could be known about the impacts of the State budget. Below is a 5-year look back of the State budget adoption dates.

<u>Budget Year</u>	<u>Adoption Date</u>
FY 2023	June 1, 2022
FY 2024	April 12, 2023
FY 2025	May 13, 2024
FY 2026	May 2, 2025
FY 2027	June 29, 2026



State Revenue Impact on General Fund

	<u>Adopted 2026-2027</u>
State Revenue Source	
PPTRA Revenue	\$ 3,498,256
State Highway Assistance	5,926,840
Reimbursement/Constitutional Offices	2,457,327
State Aid for Police Protection	2,734,767
	\$ 14,617,189
5.23% of Total General Fund Budget	

State Revenue makes up approximately 20% of the school budget



What are Peer Locality Adoption Dates?

Locality	FY27 Budget Presentation	FY27 Budget Adoption	Due Dates
Fluvanna County	2/4/2026	4/8/2026	6/5, 12/5
Charlottesville	3/4/2026	4/14/2026	6/5, 12/5
Albemarle County	3/4/2026	4/22/2026	6/25, 12/5
Louisa County	1/20/2026	4/27/2026	6/5, 12/5
City of Blacksburg	3/10/2026	4/28/2026	6/5, 12/5
City of Fairfax	2/24/2026	5/5/2026	6/21, 12/5*
City of Richmond	3/11/2026	5/11/2026	1/14, 6/14**
Greene County	3/3/2026	5/12/2026	6/5, 12/5
Nelson County	3/10/2026	5/12/2026	6/5, 12/5

* City of Fairfax RE due 6/21 and, 12/5; PP due 10/5

** City of Richmond RE due 1/14 and 6/14, PP due 6/5

State Budget

Budget Year	Adoption Date
FY 2023	June 1, 2022
FY 2024	April 12, 2023
FY 2025	May 13, 2024
FY 2026	May 2, 2025
FY 2027	June 29, 2026



Steps to Making a Change

- Revisions to City Code – Modifications would be needed to several code sections
- Evaluation of Possible Adjustments to Tax Due Dates
 - The tax rate must be finalized and sent to the printer seven weeks prior to the due date
 - For a **June 5th** deadline, information should be submitted by **April 16th**
 - For a **June 20th** deadline, information should be submitted by **April 30th**
- Discussion with the City's Auditors regarding accounting policy change to extend the accounting accrual period from 45 to 60 days
 - OR the City could accept some revenue loss during the initial year of implementation (\$245K +/-)



Pros and Cons

- Pros
 - Gains two additional weeks to learn more about the State Budget
 - Gains two additional weeks to finalize revenue projections
- Cons
 - Unlikely the State would adopt a budget by the end of April
 - Necessitates a change to the tax due date from 6/5 to 6/20
 - Loss of accrued tax revenue in the first year of approximately \$245k unless accounting practices were changed
 - Requires changes to tax software, bill print templates, and website (opportunity for errors)
 - Could cause confusion with taxpayers, closing agents, and mortgage companies



Council Priority Budget Drivers

Transportation

Affordable Housing

City Schools

Parks and Recreation



City of Charlottesville - General Fund Projection and Assumptions

Draft as of 10/ 5/ 2026

Long-Term Forecast

Baseline Projection - Step Increases Only (No Pay Scale Adjustment)

	FY2026 Projection	FY2027 Adopted	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection	FY2028 Growth
Property Tax	132,171,274	138,238,008	142,385,148	146,656,703	151,704,361	156,926,127	162,328,019	3.0%
Other Taxes	55,615,148	60,286,648	61,251,008	62,236,255	63,242,775	64,270,963	65,321,219	1.6%
Fees and Fines	26,842,814	27,975,169	28,223,035	28,478,337	28,741,297	29,012,147	29,291,122	0.9%
Intergovernmental	35,648,261	37,634,441	38,173,238	38,731,760	39,310,759	39,911,016	40,533,344	1.4%
Other Revenue	18,179,920	15,280,393	15,360,964	15,443,147	15,526,974	15,612,477	15,699,690	0.5%
Total Revenue	\$268,457,417	\$279,414,659	\$285,393,394	\$291,546,202	\$298,526,166	\$305,732,730	\$313,173,394	2.1%
Cash Compensation	55,900,344	59,399,060	61,049,502	62,746,827	64,492,388	66,287,579	68,133,834	2.8%
Benefits	28,982,094	30,796,038	33,019,358	35,413,944	37,993,312	40,772,054	43,765,921	7.2%
Schools Contribution	79,081,294	81,595,593	83,227,505	84,892,055	86,589,896	88,321,694	90,088,128	2.0%
Operating and Other Expenses	77,854,780	82,727,590	85,623,056	88,619,863	91,721,558	94,931,813	98,254,426	3.5%
Capital and Debt Service	23,429,934	24,896,377	26,141,196	27,448,256	28,820,669	30,261,702	31,774,787	5.0%
Total Expenditure	\$265,248,446	\$279,414,659	\$289,060,617	\$299,120,945	\$309,617,823	\$320,574,841	\$332,017,096	3.5%
Surplus/Deficit	\$3,208,971	\$0	(\$3,667,223)	(\$7,574,742)	(\$11,091,656)	(\$14,842,111)	(\$18,843,702)	
<i>Budget Variance</i>		<i>0.0%</i>	<i>-1.3%</i>	<i>-2.6%</i>	<i>-3.7%</i>	<i>-4.9%</i>	<i>-6.0%</i>	

FY2027 Key Assumptions

- 3.0% real property assessment growth
- 3.0% personal property assessment growth
- 2.0% non-property tax growth
- Minimal growth in non-tax revenue (approximately 1.0%)
- Step increases for all bargaining units as applicable
- 2.0% increase for schools contribution
- Inflationary growth (3.5%) for non-personnel operating costs
- Historical growth (5.0%) for capital and debt service



Budget Information and Resources

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



Questions, Comments, Concerns