

# **County Executive's Recommended FY 26 Budget**

## **Work Session #2: General Fund Expenditures**

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March 12, 2025

# March

- ~~5 Public Hearing on  
Recommended Budget~~
- ~~10 Work session~~
- 12 Work session
- 17 Work session
- 18 Town hall: The Center
- 19 Work session: Board  
proposes budget and sets  
maximum tax rate for  
advertisement
- 20 Town hall: Monticello HS
- 24 Town hall: Sentara  
Conference Room
- 26 Work session (if needed)
- 27 Town hall: Yancey  
Community Center

# April

- 7 Work session (if needed)
- 9 Town hall: WAHS
- 10 Town hall: North Fork
- 14 Town hall: Journey MS
- 23 Public Hearing
- 30 Public Hearing

# May

- 7 Board approves and  
appropriates FY 26 Budget  
and sets tax rates

**FY26 Budget Calendar**

# Work Session Process

- Staff presenting info at level of detail in between County Executive presentation & detailed budget document
- Includes many pauses for Board of Supervisors questions, dialogue and identify items for:
  - “The list” for potential adjustment and future Board discussion
  - General information
- Responses outside of work sessions are posted to the website for transparency

# Agenda

*Continued from Work Session #1: Allocation of Shared Revenue*

**General Fund Expenditures: Compensation & Health Fund, pages 79-88**

**Judicial, pages 105 - 116**

**Public Works, including RSWA, pages 129 – 136**

*Break, if Board desires*

**Health and Welfare, including Affordable Housing Fund & Human Services Funding Process, pages 137 - 200**

**Community Development, including Transit and Economic Development Fund, pages 213 – 224**

**Administration, pages 89 – 105**

**Parks, Recreation and Culture, pages 201 - 212**

# Allocation of Shared Revenue

## **Policy Guideline (p 40-41)**

The County shares the increase or decrease in available shared revenues among the County Government and Public Schools operating, debt service, and capital budgets.

**Step 1:** Calculate the increase or decrease in General Fund local tax and State non-categorical aid revenues.

**Step 2:** Adjust the amount from Step 1 for changes in expenses that reduce available shared revenue: City of Charlottesville revenue sharing, Tax Relief programs, Economic Development Authority tax-related performance agreements, and the designated transfer to the Water Resources Fund.

**Step 3:** Allocate the remainder 54% to the Public Schools operating budget, 36% to the County Government operating budget, and 10% for the joint debt service and capital budgets.

This guideline may be reviewed annually with Board of Supervisors approval.

# Real Property Tax Rate Increase of 4 Cents

**Real Property**  
per \$100 of  
assessed value

**4 ¢**

**3.2 ¢**

## Public Safety

(\$9.9 M in FY 26) to cover FEMA grant-funded firefighter positions, new police officers, and competitive salaries to maintain workforce stability

**0.4 ¢**

## Schools

(\$1.2 M in FY 26) to support continued education funding. This increase **supplements** the existing tax rate allocation, where 54% is dedicated to Schools

**0.4 ¢**

## Affordable Housing

(\$1.2 M in FY 26) for Affordable Housing to ensure ongoing investment in housing accessibility

# Board Direction

The FY 26 Recommended Budget allocates an increase of 3.2 cents on the real estate tax rate for Public Safety.

**Question:** In FY 27, how should the change in the value of 3.2 cents dedicated to Public Safety be calculated in the “Allocation of Shared Revenue” formula?

**The change in the value is...**

- **Option A:** Split by the guideline of 54%/36%/10%
- **Option B:** Dedicated 100% for public safety expenses

# Comparison of Options

|                                      | FY 26<br>Recommended | FY27 - Option A<br>\$ Change | FY 27 - Option B<br>\$ Change | Option B compared<br>to Option A |
|--------------------------------------|----------------------|------------------------------|-------------------------------|----------------------------------|
| Water Resources                      | 2,168,606            | 106,262                      | 106,262                       | -                                |
| Affordable Housing                   | 1,239,203            | 60,721                       | 60,721                        | -                                |
| Capital & Debt                       | 43,340,973           | 1,755,501                    | 1,706,924                     | (48,577)                         |
| Public Schools - Ongoing             | 209,302,695          | 9,479,703                    | 9,217,388                     | (262,315)                        |
| County Gov., including Public Safety | 148,478,151          | 6,319,802                    | 6,630,693                     | 310,891                          |
| <b>Total</b>                         |                      | <b>17,721,988</b>            | <b>17,721,988</b>             | <b>0</b>                         |

The change in the value is...

- Option A: Split by the guideline of 54%/36%/10%
- Option B: Dedicated for public safety expenses



# Potential Considerations

1. Both options support the policy intent to have a guideline, and that it may be reviewed annually with Board of Supervisors approval.
2. Long-term Financial Planning
  - Option B provides greater flexibility to address future public safety challenges, such as those discussed at the March 10 work session
  - Option B reduces recommended CIP revenues by approximately \$250k combined over 5 years
    - Impact will be discussed at 3/17 work session
3. Complexity
  - Option B adds an additional step in the calculation; however, the calculation remains much simpler than the pre-2022, when the Board streamlined the formula.
  - Not a barrier to implementation.
4. Communication to residents
  - Which provides simpler communication for Board members?

# Board Direction

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# Six Strategic Goals

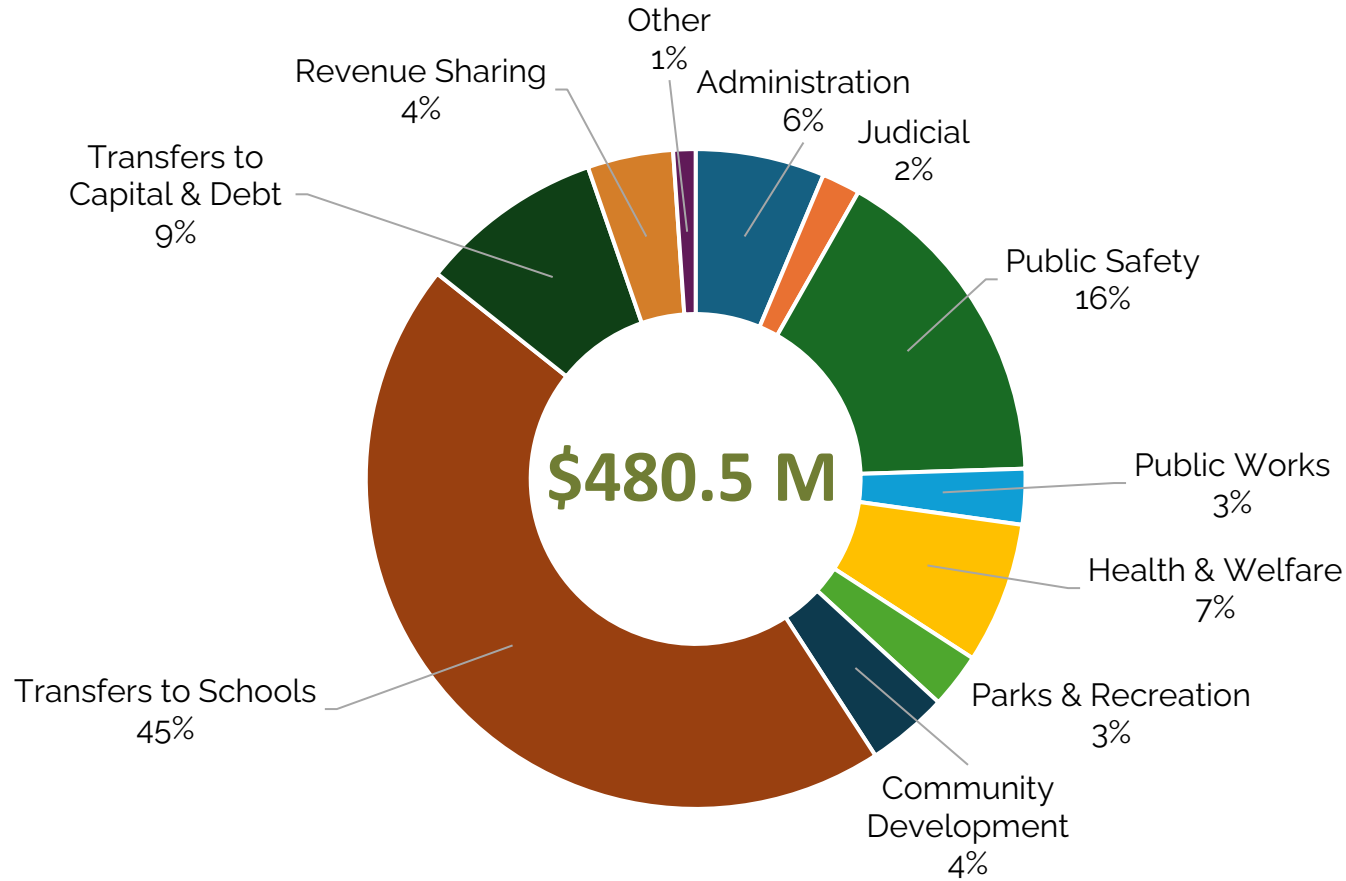




# General Fund Expenditures

Pages 79 – 88





# General Fund Expenditures

# INVESTMENT IN WORKFORCE & SERVICE DELIVERY

## Support for Workforce



SUPPORTS GOAL:

6

**\$3.5  
M**

**MARKET  
ADJUSTMENT**

**\$9M**

**TRANSFER TO THE  
HEALTHCARE FUND**



**24% INCREASE IN  
HEALTHCARE RATES**

# Workforce Stabilization & Personnel Budgeting

## Salaries & Related Benefits

- +\$2.8 M for 3% cost of living adjustment, effective July 1, all scales
- +\$0.7 M for 2% Public Safety Pay Scale step increases
- +\$0.4 M for Salary and Benefit Reserve, total of \$1.45 M includes
  - \$1.3 M market-based benchmarking and reclassifications
  - \$56k Extend Police & Fire Rescue Pay Scales from 26 to 30 steps
  - Sheriff and ECC currently at 30 steps
  - \$54k Fire Rescue Career Development Adjustment

6

### WORKFORCE & CUSTOMER SERVICE

*Recruit & retain engaged public servants who provide quality government services to advance our mission.*

# Turnover, impact of Comp/Class implementation

## FY 23

- Actual Turnover rate 13.4%
- 80 vacancies at peak

## FY 24

- Actual Turnover rate 12.8%
- 64 vacancies on average

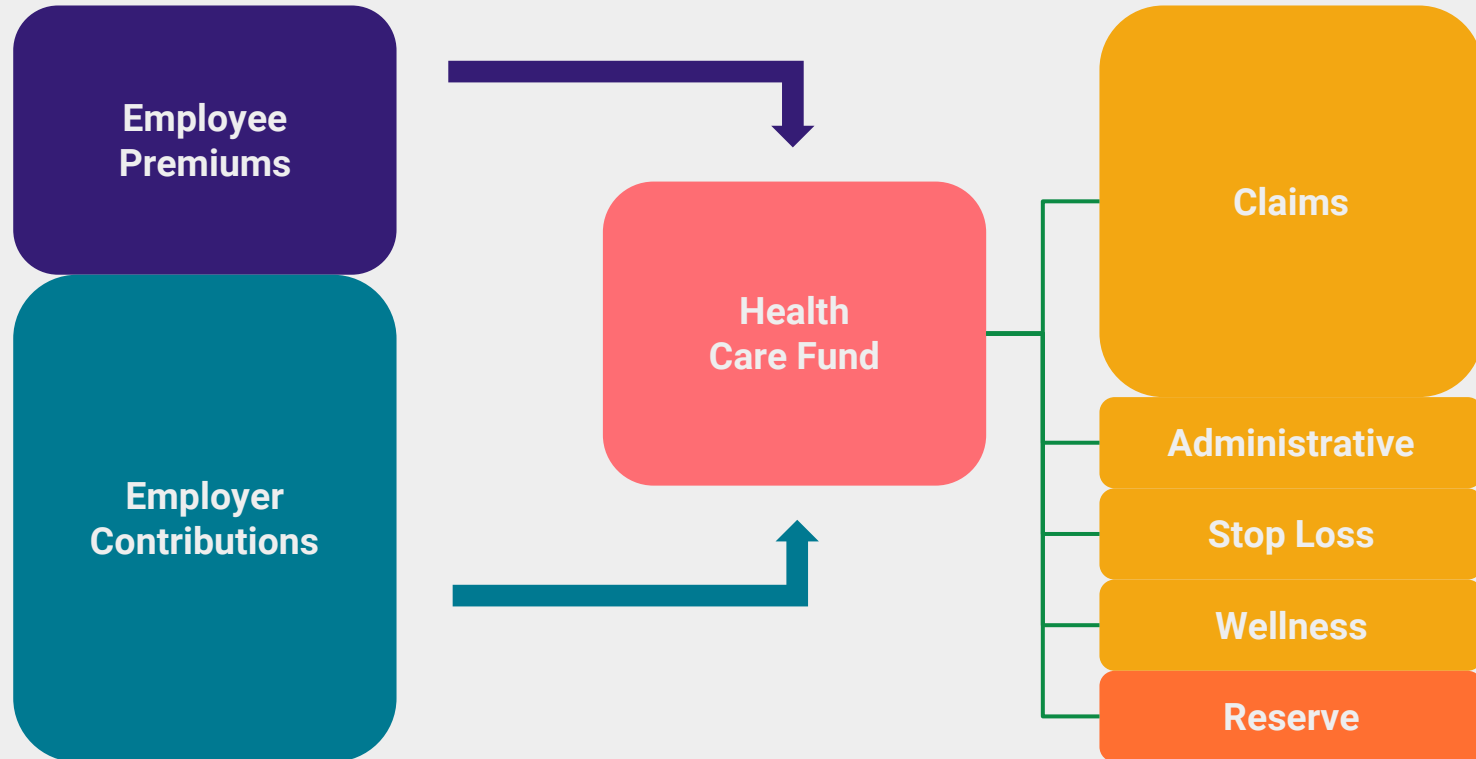
## FY25 (Projected)

- Turnover rate is 8.5%
- Less than 40 vacancies currently



# Health Fund Overview

Self-Funded Plan Structure



# Health Fund Overview

- FY 26 Recommended Budget
  - Plan Year 2026 (Calendar Year 2026) increase of 24%
  - \$9.0 million one-time transfer
    - County Executive's Recommended Budget includes Public School share of that transfer, \$6.2 M, funded by County Government
- How have the Health Fund expenditures changed?
- How have revenues from employee & employer contributions changed?
- What is the Health Fund's available fund balance?
- What is the impact of the Employee Clinic?

# Expenditures

- Plan Year 24: \$54.2M in actual expenditures
- Average annual expenditure growth of 16% (prior 4 years)
- High Cost Claimants (greater than \$75k) impact this trend in PY 24:
  - 16 members with \$325k+ claims, net of stop loss: \$5.2 M
  - 53 members with \$100k-\$325k claims, \$8.9 M
  - Additional 33 members with claims between \$75-\$100k totaling \$2.8 M
- These 102 claimants, which are less than 2% of total covered lives, totaled \$16.9 M

# Revenues

| Plan Year | Employee Increase | Employer Increase |
|-----------|-------------------|-------------------|
| 2020      | 0%*               | **                |
| 2021      | 0%                | 7%                |
| 2022      | 0%                | 7%                |
| 2023      | 7%                | 14%               |
| 2024      | 10%               | 11%               |
| 2025      | 18%               | 26%               |

Table shows rates for PPO, Individual Tier

\*Rate unchanged since October 2018

\*\*Employer Contribution rate structure changed to tiered

# Past and Present

Health Fund: Actual Revenues - Actual Expenditures, Plan Year 2020-24  
Including One-time Transfers and Rate Holidays, Excludes \$1.7 M for Employee Clinic Start  
Up Costs in 2024



# Health Fund's Fund Balance

- Policy
  - Minimum: 17% (2 months of expenditures)
  - Maximum: 33% (4 months of expenditures)
- End of Plan Year 19
  - Balance of \$16.7 million or 51% of Plan Year 20 budget
  - Advised to draw down through premium holidays and rates decisions
- End of Plan Year 24
  - Balance of \$3.0 M or 4.7% of Plan Year 25 Budget
- Projected, End of Plan Year 25:
  - 12% fund balance

# Employee Clinic

- Provides improved access to employees
- Utilization during the first month
  - 152 visits, 127 of those were by employees
  - All available Saturday slots were filled
- No impact in PY 25 and PY 26 rates
  - Planned to slow future cost increases

# Health Fund Summary

- **How have the Health Fund expenditures changed in recent years?**

*Average annual expenditure growth of 16% the prior 4 years, impacted by high cost claimants*

- **How have revenues from employee and employer contributions changed?**

*Contributions have been less than the rate of expenditure growth*

- **What is the Health Fund's available balance?**

*Balance of \$3.0 M or 4.7% of Plan Year 25 Budget*

- **What is the impact of the Employee Clinic on contribution rates?**

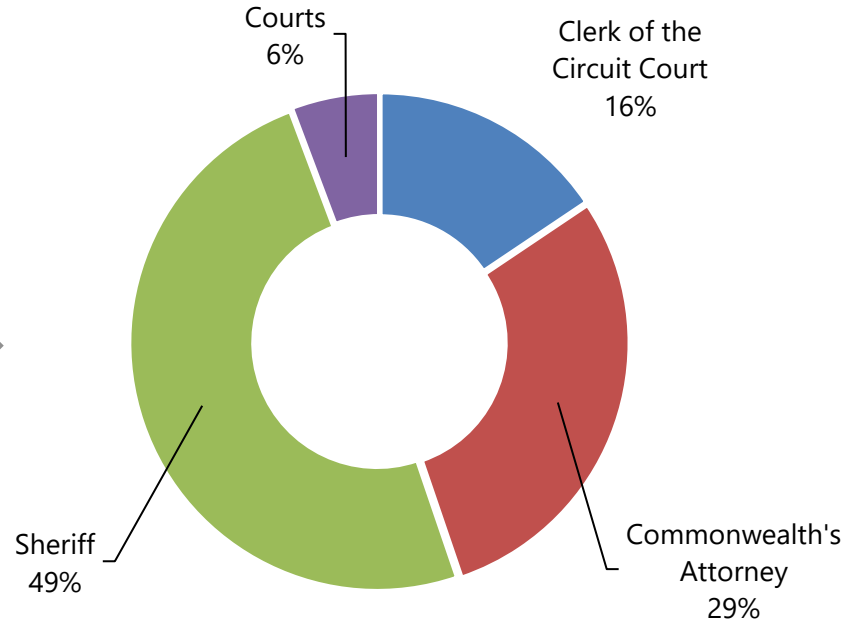
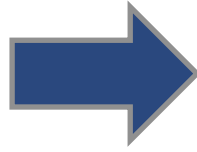
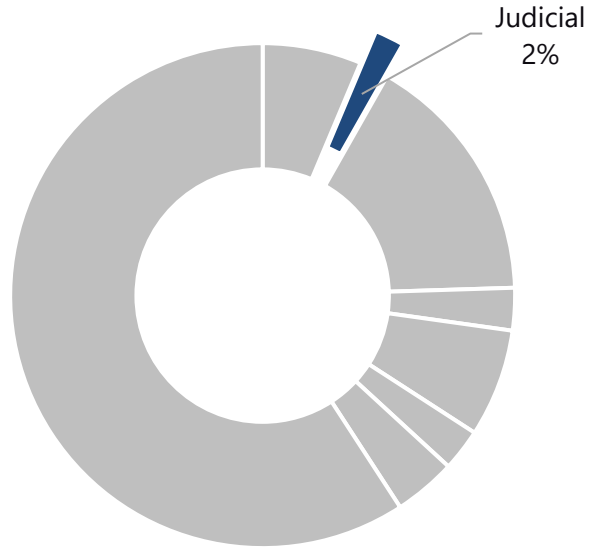
*Short-term: None*

*Long-term: More effective cost control, in addition to immediate benefit to employees*



# Judicial

**\$9.03 million**





# INVESTMENT IN JUDICIAL

**SUPPORTS GOAL:**

**1**

## Commonwealth Attorney

Fully funds operational requests. Reduction of 0.5 FTE at request of Commonwealth Attorney

## Clerk of Circuit Court

Fully funds operational requests

## Sheriff

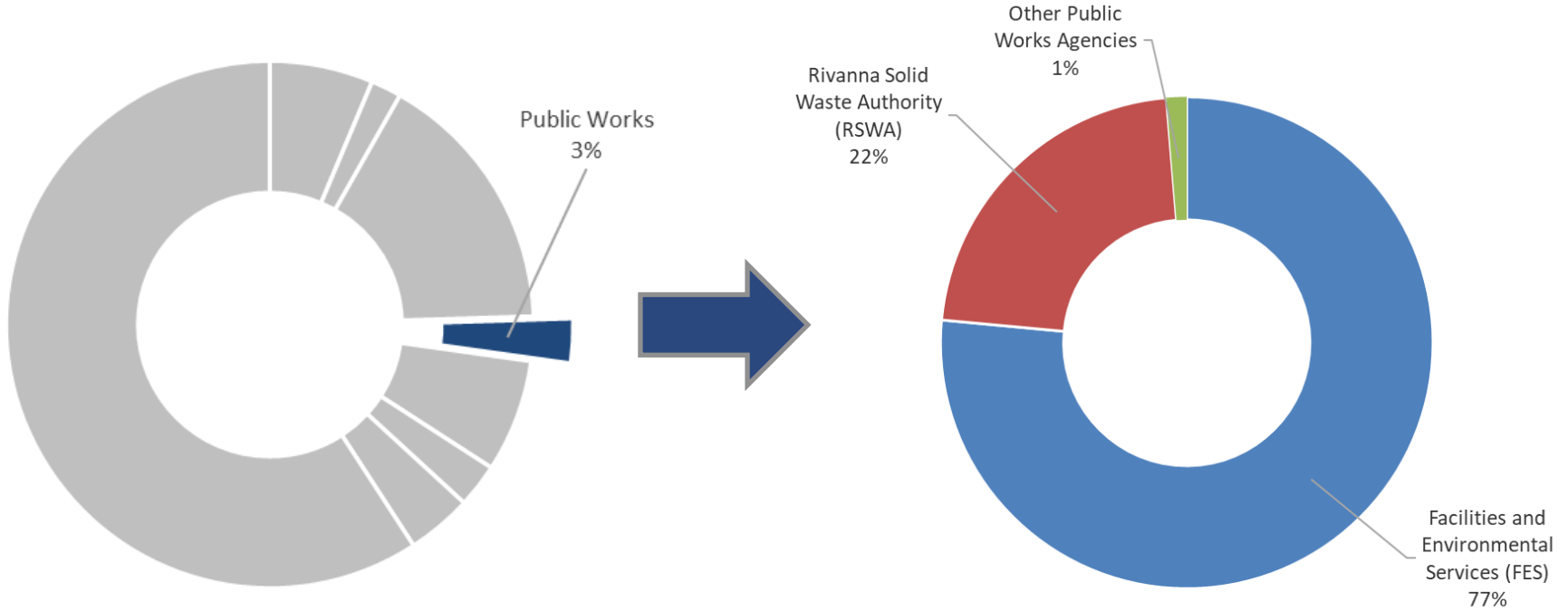
Does not include additional requests for staffing

## Public Defender

\$12k related to pay adjustments

# Public Works

**\$13.1M**





# INVESTMENT IN PUBLIC WORKS

**SUPPORTS GOALS:**

2

3

4

6

## Courts Operations

\$156K in operational  
costs for new General  
District Court facility

## Roadway Litter Pick-ups

Disposable Plastic  
Bag Tax Funding

## Climate Action

Continue work to  
meet climate  
goals

# Climate Action & Environmental Sustainability

| Ongoing   | One-time   | Capital Projects   |
|---|--|--|
| <b>Past uses</b>  |  |  |
| <ul style="list-style-type: none"> <li>Environmental Services Division: \$564K</li> <li>Southern Convenience Center operations: \$400K</li> <li>Streetsweeper: \$114K</li> <li>Disposable Plastic Bag Tax and related programming: \$50K</li> </ul> | <ul style="list-style-type: none"> <li>Housing Weatherization, multiple years: \$750k</li> <li>Charging stations at County Office Building: \$350k</li> <li>Community Climate Action Grant Program, multiple years: \$200k</li> <li>Septic to Sewer: \$650k</li> </ul> | <ul style="list-style-type: none"> <li>Southern Convenience Center: \$1.6M</li> <li>Street Sweeper: \$385K</li> <li>County Office Building Weatherization: \$1.5M</li> <li>Baler facility replacement: \$4M</li> </ul> |
| <b>Future Uses</b>  |  |  |
| <ul style="list-style-type: none"> <li>Program expenditures identified above are FY 26, total of \$1.6M</li> </ul>  | <ul style="list-style-type: none"> <li>\$350k Septic to Sewer Program</li> <li>\$0.2 M in unallocated Climate Reserve</li> </ul>   | <p>Northern Convenience Center, construction planned in FY 27, operations in FY 28</p>   |

# Proposed Increase to Tipping Fees

## Ivy Solid Waste & Recycling Center



Presented to the Albemarle County Board of Supervisors

By Bill Mawyer, Executive Director

March 12, 2025



# Services we provide for our community

Refuse Disposal



Post-closure Landfill Care



Ivy SWRC

Recycling



McIntire Recycling



Southern Albemarle Convenience Center

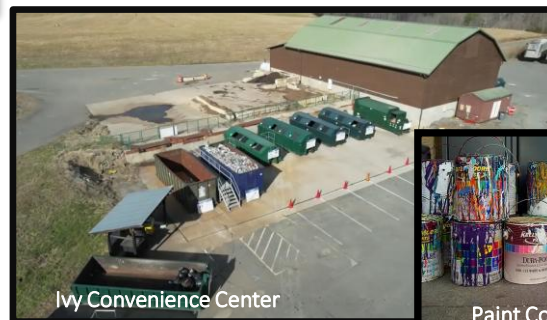


Transfer Station

Mulch



Vegetative Debris



Ivy Convenience Center



Paint Collection

# Local Tipping Fee Survey

| March 2025 Survey  |                                   |
|--|-----------------------------------|
| County/Facility  | <u>MSW/CDD</u><br><u>(\$/ton)</u> |
| Augusta Regional Landfill  | \$ 52.00                          |
| Fluvanna County Transfer Station   | \$ 60.00                          |
| Louisa County Landfill   | \$ 54.00                          |
| <b>Nelson County Transfer Station</b>  | \$ 55.00                          |
| <b>Greene County Transfer Station</b>  | \$ 70.00                          |
| Van der Linde Recycling (CDD only)   | \$ 60.00                          |
|  |                                   |
| Average:   | \$ 58.50                          |
| Current ISWRC Fee:   | \$ 58.00                          |
| Proposed ISWRC Fee:  | \$ 60.00                          |
|  |                                   |
| Note: Only Facilities highlighted in <b>BOLD</b> allow non-county residents or non-account holders to deposit MSW at their facility. |                                   |
|  |                                   |



# *Proposed Increase in Tipping Fees*

*for July 1, 2025*

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- Domestic Waste (MSW)
- Construction & Demolition Debris (CDD)
  - *Increase disposal fee from \$58 to \$60 per ton*

# Summary

Proposed tipping fee increases of \$2/ton will:

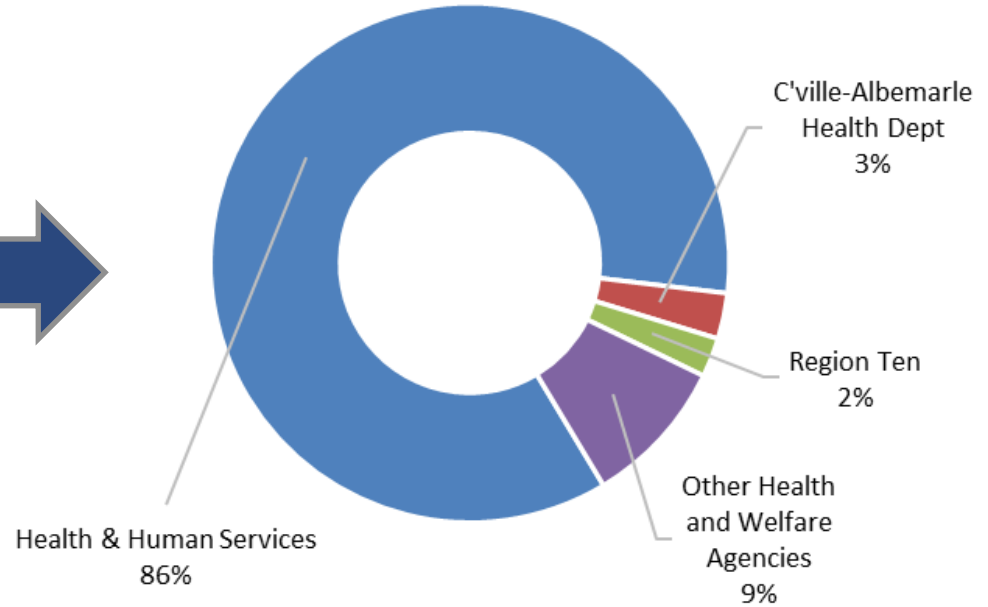
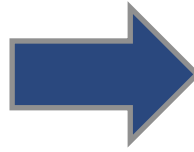
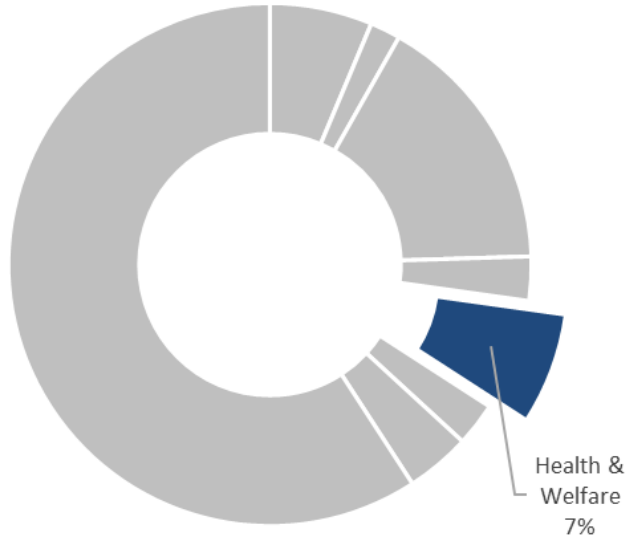
- *align Domestic Waste and Construction & Demolition Debris disposal fees with local markets*
- *support inflationary and operational expense increases*
- *generate about \$130,000 in additional annual revenue and reduce the County's allocation to the RSWA*

Questions?

**Break, if Board desires**

# Health & Welfare

**\$33.2 million**





# INVESTMENT IN HEALTH & WELFARE

**SUPPORTS GOALS:**

1

4

## Children Services Act

\$129k increase in transfer to CSA. \$750k contribution to fund balance in FY25

## Emergency Assistance Funding

Continuing \$260k in local funding to address urgent, one-time financial needs

## Housing Fund

\$3M in FY 25 revenues to advance affordable housing projects. \$1.2 in ongoing funding starting in FY26

## Health & Welfare Agencies

\$5.4M to sustain human service programs delivered through partners

# INVESTMENT IN QUALITY OF LIFE

## Affordable Housing



SUPPORTS GOALS:

2

4

.4

**DEDICATED REVENUE  
EQUALING \$1.2M**



**ADDITIONAL \$3M  
ONE-TIME INVESTMENT**



**ADDS TO THE \$17M IN  
HOUSING INVESTMENTS  
OVER PAST 5 YEARS**

# Affordable Housing Investment Fund

**Established in FY 19**

## **Purpose**

- The Affordable Housing Investment Fund is intended to support housing initiatives that are one-time costs and will support the County's strategic and housing goals.

## **Funding Sources**

- Past one-time transfers from the General Fund
- Affordable Housing Proffers
- **New in FY 26:** Ongoing funding equivalent to 0.4 cents on real estate tax rate

## **Past Uses**

- Virginia Supportive Housing– Premier Circle
- Habitat for Humanity – Southwood Redevelopment Phase I & II
- Piedmont Housing Alliance – Southwood Hickory Hope Apts
- Albemarle Housing Improvement Program – Rehabilitation and Energy Improvement programs

**Currently**, there is \$0.2 M in unallocated funding. Recommendation would increase to \$4.4 M.

## **Future Options**

- New housing initiatives
- Homeless services

# Investments Supporting Affordable Housing

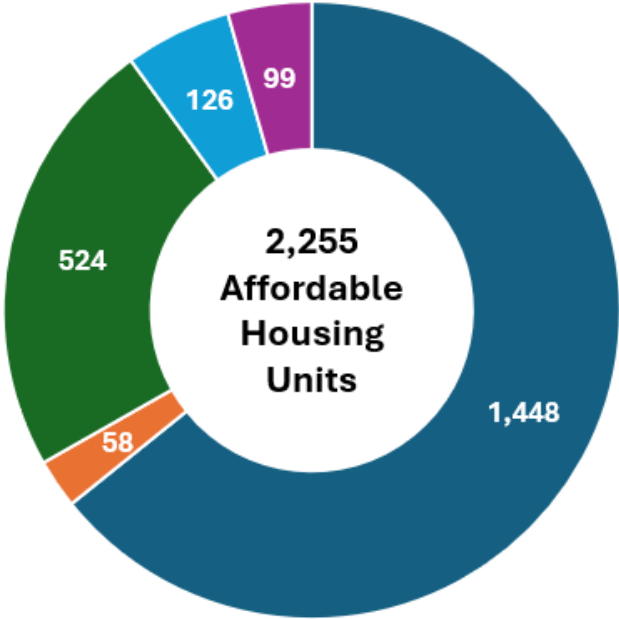
| Funding Source   | 2019-2025            | 2026                 | Total                | Total Units/<br>Households<br>Served |
|--|----------------------|----------------------|----------------------|--------------------------------------|
| Affordable Housing Investment Fund (AHIF)                | \$ 13,508,024        | \$ 1,239,203         | \$ 14,747,227        | 626                                  |
| American Recovery Plan Act (ARPA)                        | \$ 3,899,680         | \$ -                 | \$ 3,899,680         | 437                                  |
| Albemarle County Emergency Relief Program (ACERP)        | \$ 520,000           | \$ 260,000           | \$ 780,000           | 462                                  |
| Community Development Block Grants (CDBG)                | \$ 2,102,841         | \$ -                 | \$ 2,102,841         | 58                                   |
| Housing Opportunities Made Equal (HOME)                  | \$ 608,474           | \$ -                 | \$ 608,474           | 65                                   |
| Albemarle County Human Services Funding Process (ACHSFP) | \$ 4,409,091         | \$ 917,151           | \$ 5,326,242         | 3,600                                |
| Virginia Housing   | \$ 5,000             | \$ -                 | \$ 5,000             | -                                    |
| Housing Assistance Fund                                  | \$ 29,669,441        | \$ 5,645,703         | \$ 35,315,144        | 511                                  |
| Southwood Tax Increment Financing (TIF)                  | \$ 1,400,000         | \$ -                 | \$ 1,400,000         | -                                    |
| Tax Relief for Elderly/Disabled                          | \$ 9,984,417         | \$ 2,344,986         | \$ 12,329,403        | 857                                  |
| Staffing   | \$ 2,677,369         | \$ 762,288           | \$ 3,439,657         | -                                    |
| <b>Total</b>   | <b>\$ 68,784,337</b> | <b>\$ 11,169,331</b> | <b>\$ 79,953,668</b> | <b>6,616</b>                         |
| <b>Annual Average</b>                                    |                      |                      | <b>\$ 11,421,953</b> | <b>945</b>                           |



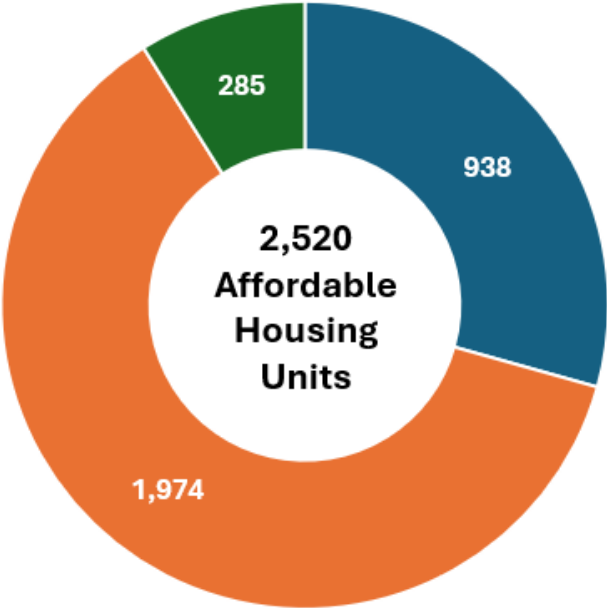
# Affordable Housing Units in Albemarle

Number of Current Affordable Units  
(as of March 2025)

Affordable Units in the Pipeline



- Subsidized rental units
- Proffer units for-sale
- Proffer units for rent
- Preserved units
- Bonus density units



- Subsidized rental Units
- Approved proffer units
- Proffer units under review

# INVESTMENT IN SAFETY & WELL-BEING

## Human Services Funding Program

SUPPORTS GOALS:

1

4



26

**PROGRAMS  
FUNDED**

\$

**\$1.6 M**



**STRENGTHEN REGIONAL  
SAFETY NET**

# Albemarle County Human Services Funding Process (ACHSFP)

July 2023 & July 2024, Board approved updated framework for the process including:

- Funding first prioritized for programs most directly aligned with 4 emerging needs areas in Human Services Needs Assessment: Family Homelessness, Adolescent Mental Health, Community Safety, and Navigation for Seniors.
- Staff would no longer consider the “50% of the funding request” precedent for new County-funded programs.
- Applying a prioritization rubric to the recommendations process based upon:
  - Whether the agency contributes to a basic needs safety net or serves a vulnerable population;
  - Whether the program met an identified priority on the Human Services Needs Assessment; and
  - The category of service the program provided (direct urgent response services, prevention services, system leveraging, and/or capacity building).

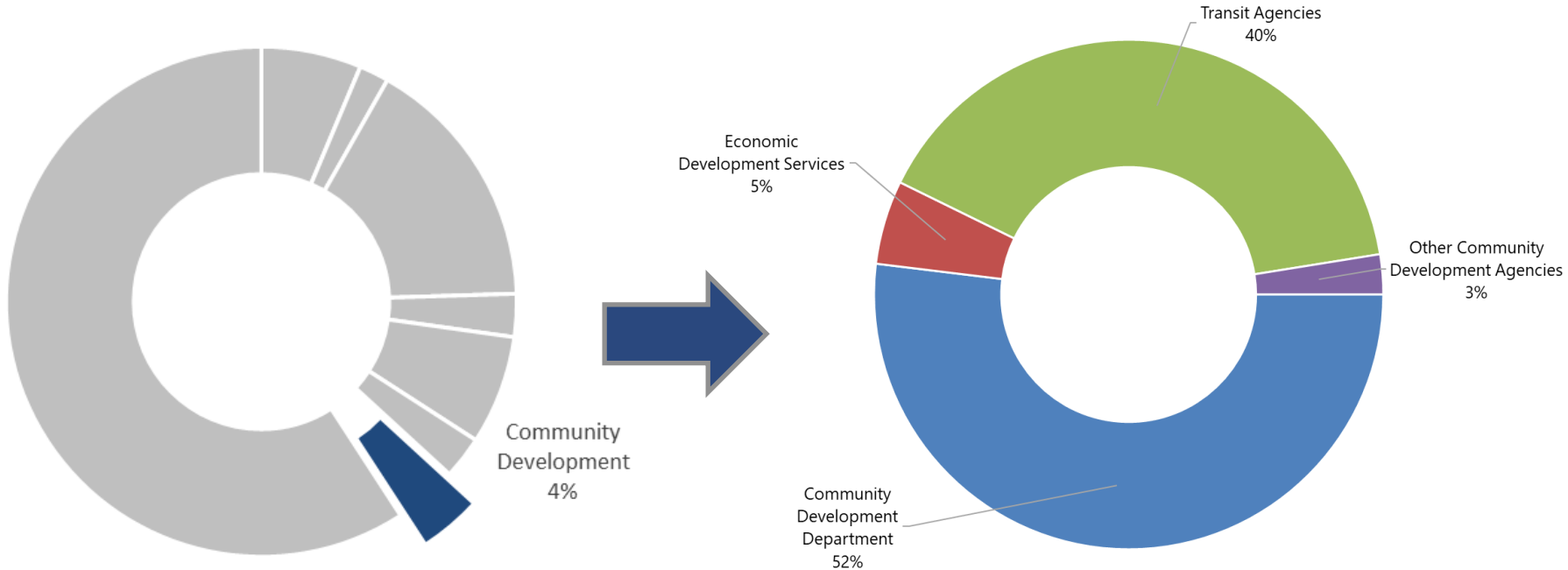
# **Human Service Funding Process**

## **FY 26 Recommendations**

- ACHSFP: volunteer community members & County staff who review human services community non-profit agency requests, but do not make funding recommendations
- Programs applying for funding in the ACHSFP were organized into Tiers based upon the prioritization rubric.
- A greater priority for funding allocation was given to those programs that were classified in the higher Tiers, i.e. programs in Tier 1 would receive priority over programs in Tier 2; programs in Tier 2 would receive priority over programs in Tier 3.
- Funding amounts were calculated based on the overall amount of the FY26 request so that applicants in higher tiers are recommended for a higher percentage of their FY 26 request.

# Community Development

**\$19.2 million**





# INVESTMENT IN COMMUNITY DEVELOPMENT

SUPPORTS GOALS:

4

6

AC44

Phase 3 development of  
implementation plan

Zoning Ordinance Update

Ordinance  
Updates

Form Based Code Phase 2

Data Centers Re-Zoning

Core Systems  
Modernization  
&  
Centralization

Enterprise Permitting &  
Licensing implementation  
continues



# INVESTMENT IN QUALITY OF LIFE

## Economic Development

SUPPORTS GOAL:

4

**Project  
ENABLE 2.0**

Develop and launch next  
Economic Development  
Strategic Plan

**Rivanna  
Futures**

Operations and Project  
Support

# Economic Development Fund

**Established In FY 18**

## **Purpose**

- Leverage/catalyze other possible investments and will provide an immediate and accessible pool of funds for implementing initiatives that will boost business opportunity and create an improved local economy.

## **Funding Sources**

- Past one-time transfers from the General Fund
- No ongoing funding

## **Past Uses**

- Infrastructure and redevelopment: Woolen Mills and Barnes Lumber
- Grant Matches: Virginia Job Incentive Program (VJIP), Commonwealth Opportunity Fund, GO Virginia
- Site readiness: Rivanna Futures

**Currently**, there is \$3.3 M in unallocated funding. Recommendation would increase to \$4.3 M.



# FY 25 Examples

**\$61k**

## Rivanna Futures

Engineering, partner engagement, legal services; leveraged \$613k in GO Virginia funds

**\$540k**

## Afton Scientific COF Match

Matching funds for expansion - 200 jobs, \$200M capital investment; leveraged 1:1 match with State investment

**\$20k**

## Wine Scale Up

GO Virginia match for industry support

**\$15k**

## Innovation Roadmap

GO Virginia match to develop regional vision

# FY26 Potential Areas



## Redevelopment

Incentivizing underutilized parcels



## Site Readiness

Pipeline of available sites   Marketing, site selector engagement



## Attraction



## Innovation Corridor

Regional infrastructure



## Workforce Development

Training & Upskilling

04

## Next Steps



# March

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