

# **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.

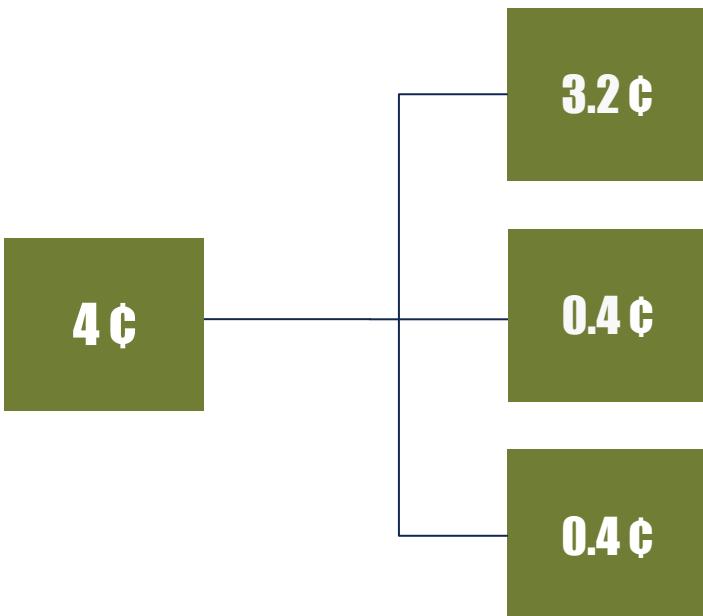
**Step 2:** Adjust the amount from Step 1 for changes in expenses that reduce available shared revenue: City of Charlottesville revenue sharing, Tax Relief programs, Economic Development Authority tax-related performance agreements, and the designated transfer to the Water Resources Fund.

**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



## 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

## 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

## 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 Recommended	FY27 - Option A \$ Change	FY 27 - Option B \$ Change	Option B compared 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

**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?

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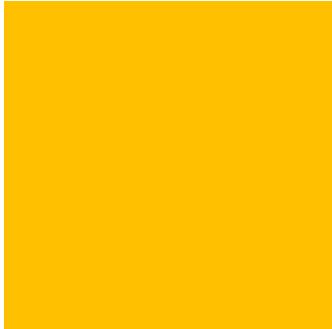
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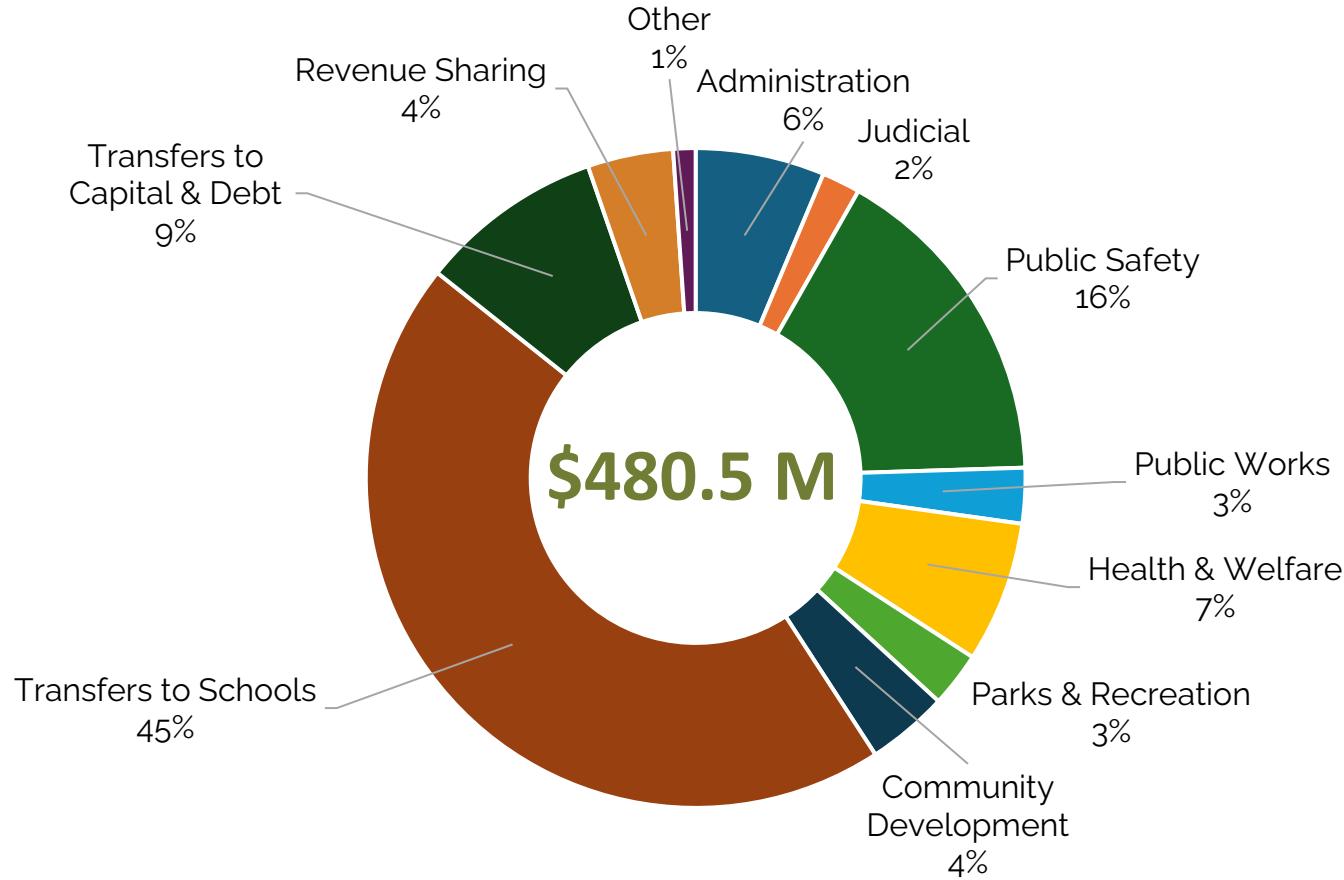
# Six Strategic Goals



# General Fund Expenditures

Pages 79 – 88

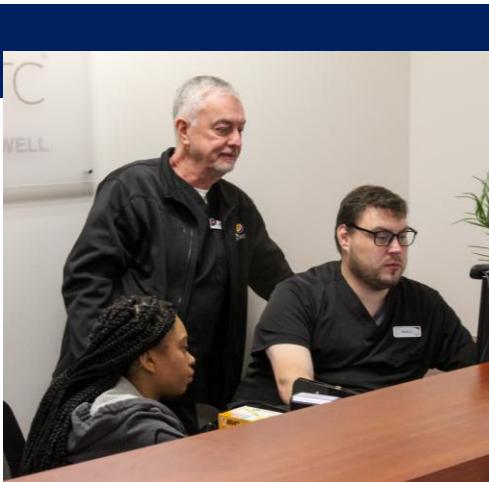




# General Fund Expenditures

# 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

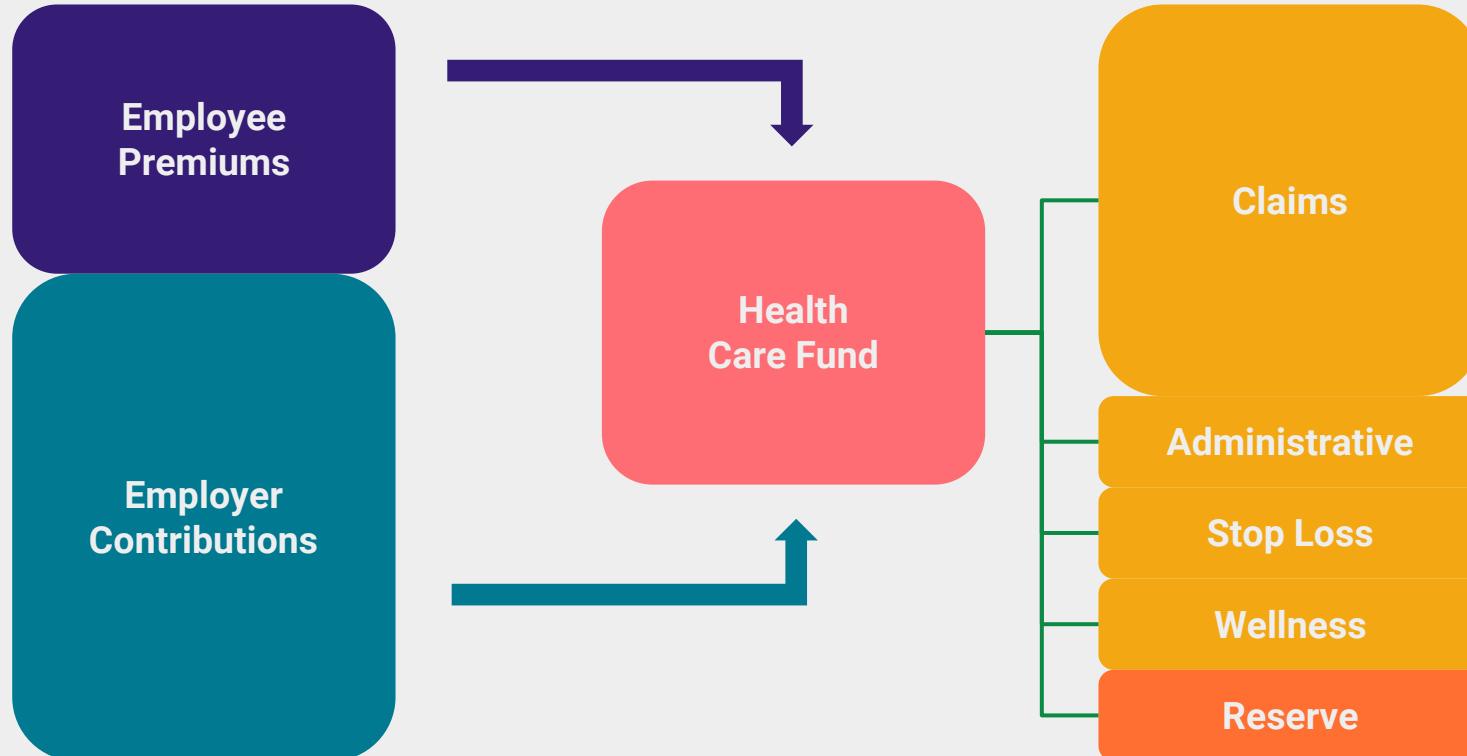
- Actual Turnover rate 12.8%
- 64 vacancies on average

## 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*

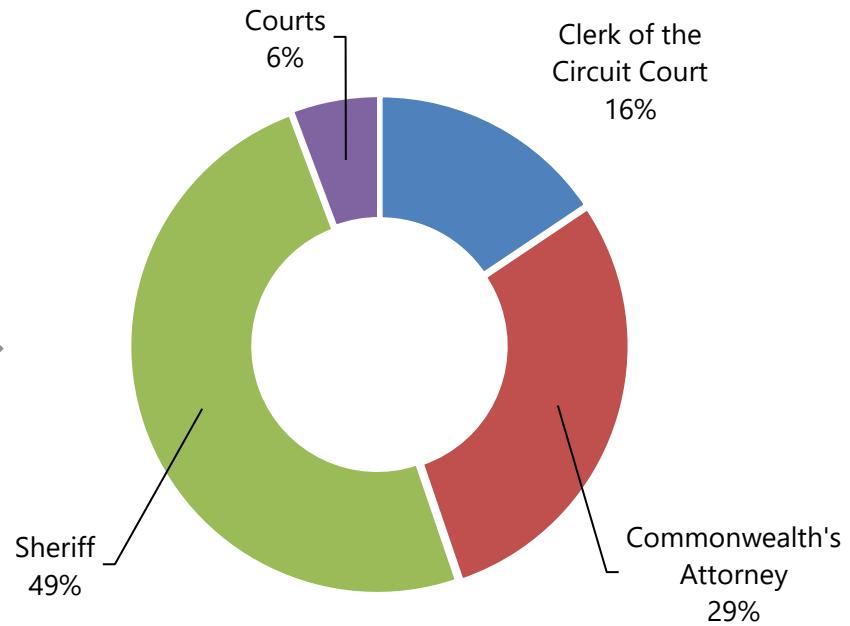
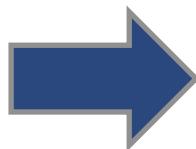
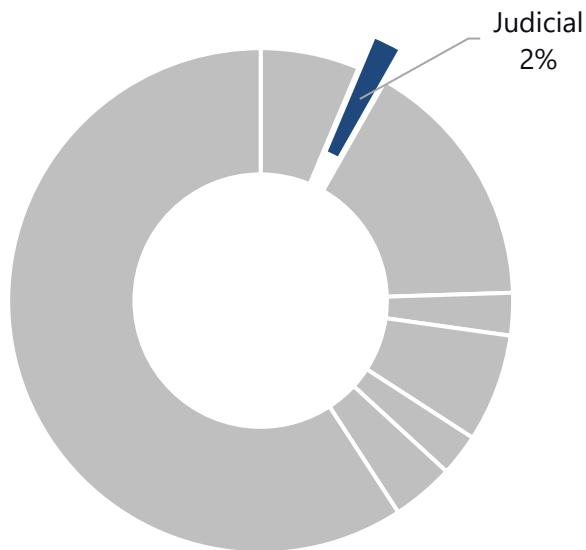
- **What is the impact of the Employee Clinic on contribution rates?**

*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

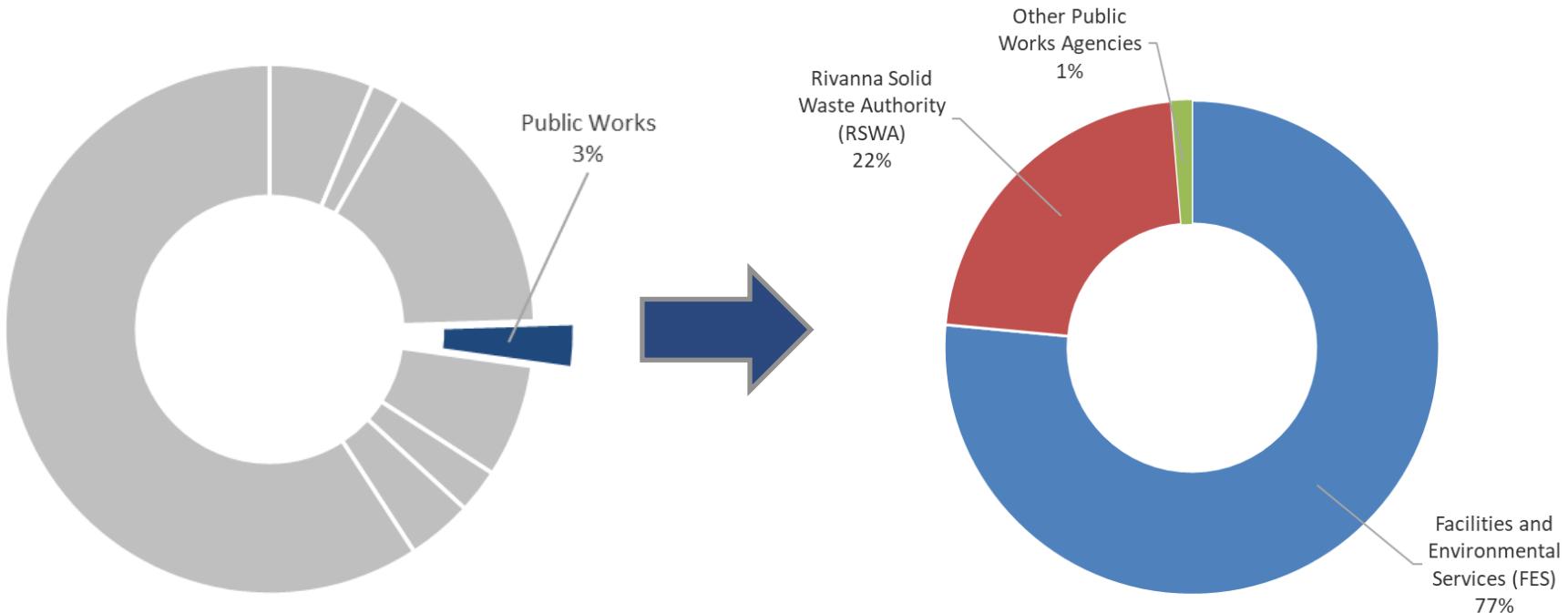
Does not include additional requests for staffing

## 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>	Northern Convenience Center, construction planned in FY 27, operations in FY 28

# 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



Transfer Station

Mulch



Vegetative Debris



Ivy SWRC

Recycling

Post-closure Landfill Care



McIntire Recycling



Southern Albemarle Convenience Center



Ivy Convenience Center



Paint Collection

# Local Tipping Fee Survey

## March 2025 Survey

<u>County/Facility</u>	<u>MSW/CDD (\$/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:

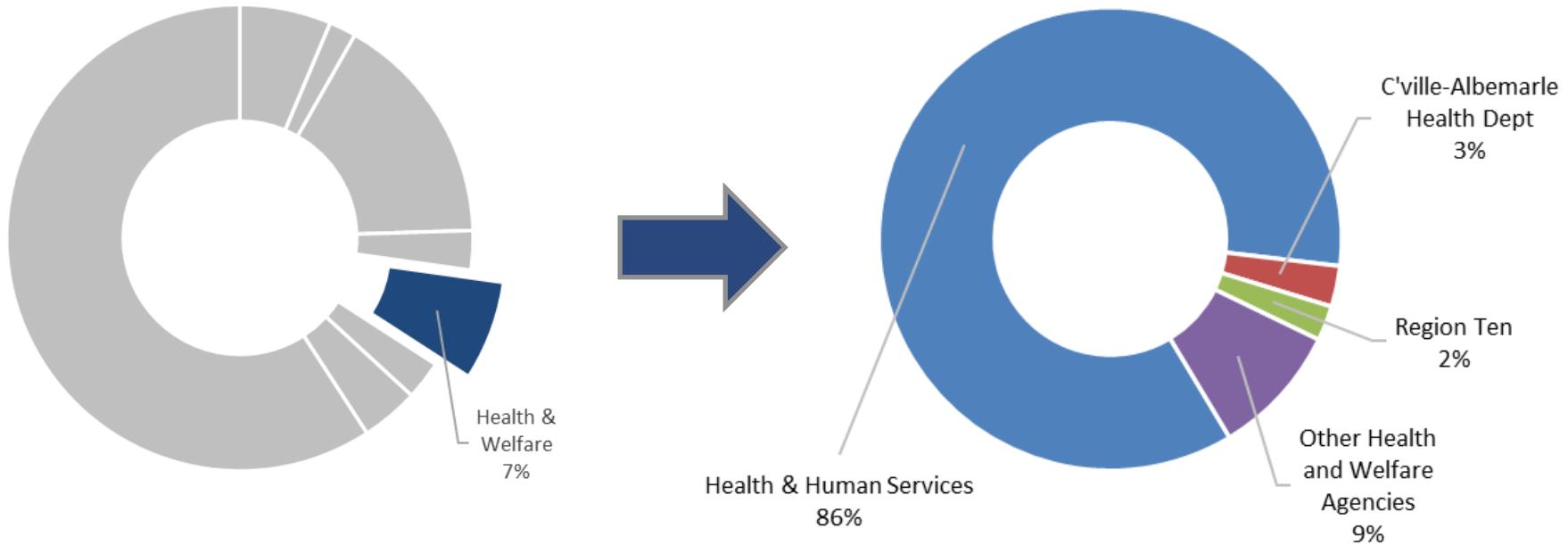
- *align Domestic Waste and Construction & Demolition Debris disposal fees with local markets*
- *support inflationary and operational expense increases*
- *generate about \$130,000 in additional annual revenue and reduce the County's allocation to the RSWA*

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

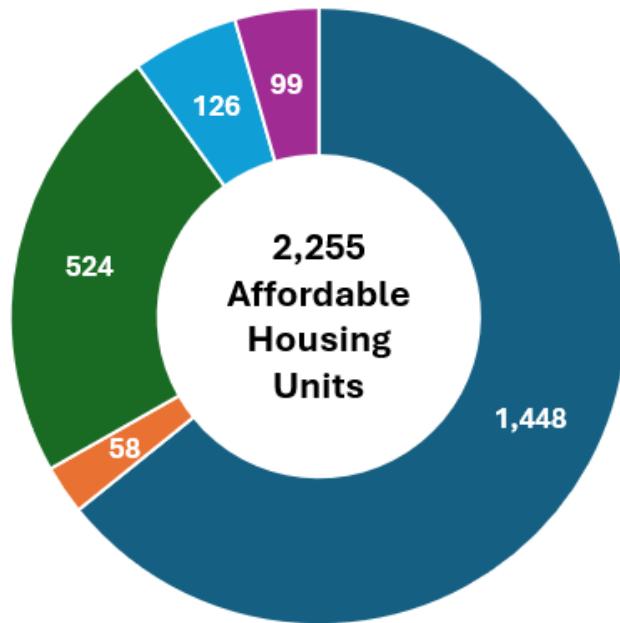
# Investments Supporting Affordable Housing

Funding Source	2019-2025	2026	Total	Total Units/ Households 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>

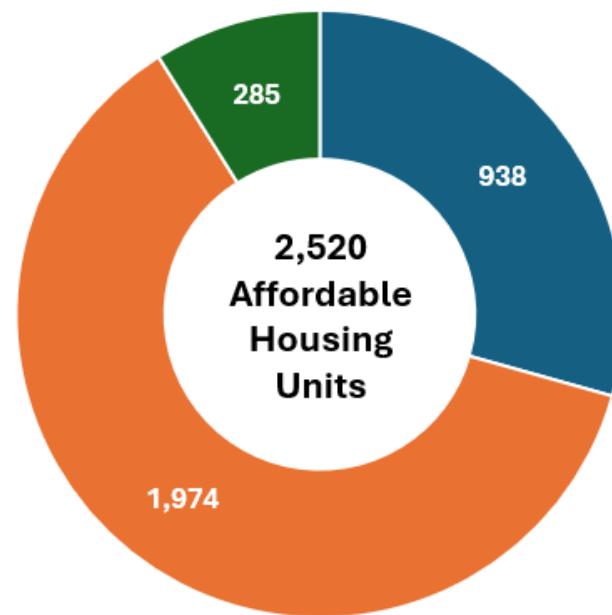
# Affordable Housing Units in Albemarle

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**

A large blue circle containing a white dollar sign symbol.

**\$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).

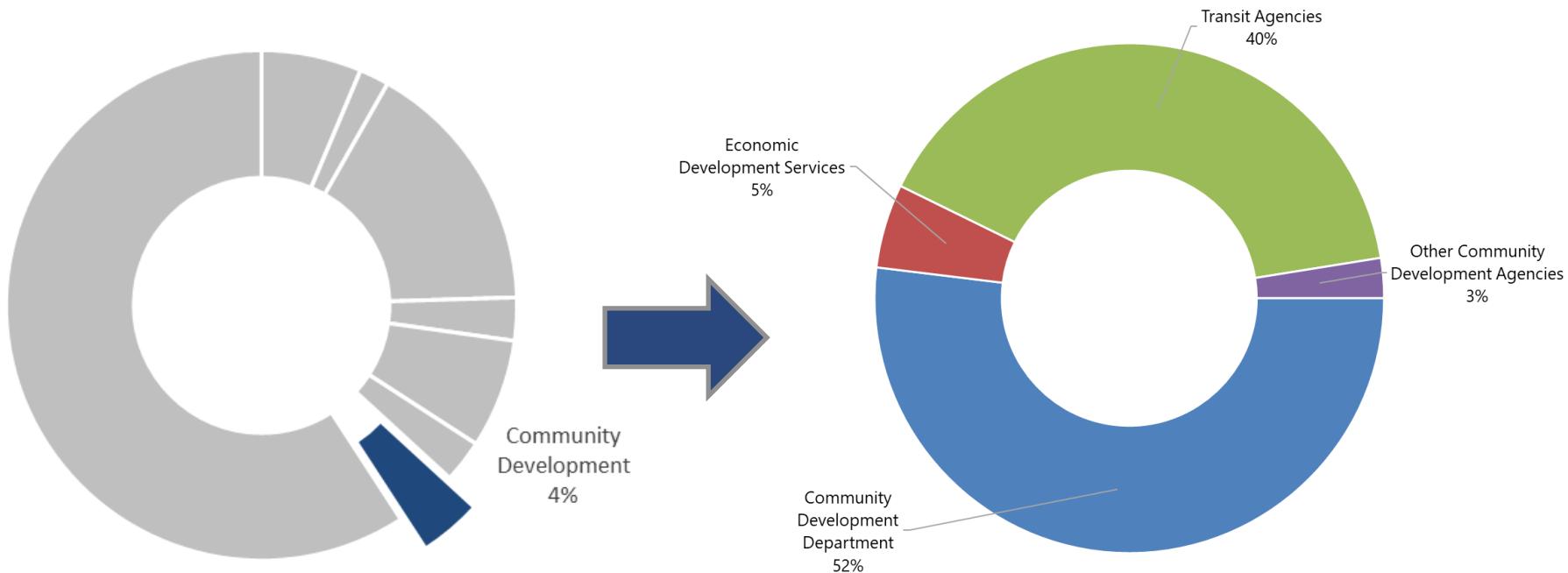
# **Human Service Funding Process**

## **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

Ordinance  
Updates

Core Systems  
Modernization  
&  
Centralization

Phase 3 development of  
implementation plan

Zoning Ordinance Update

Form Based Code Phase 2

Data Centers Re-Zoning

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

**\$20k**

## Wine Scale Up

GO Virginia match for industry support

**\$540k**

## Afton Scientific COF Match

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

**\$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

# Next Steps

04



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**FY26 Budget Calendar**