

# Policy Briefing Summary

## City Council



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**Regarding:** Resolution to Amend the FY 2026 Contribution to the Charlottesville-Albemarle Convention and Visitor's Bureau (CACVB) - \$167,867 (1 of 2 readings)

**Staff Contact(s):** Krisy Hammill, Director of Budget

**Presenter:** Krisy Hammill, Director of Budget

**Date of Proposed Action:** December 1, 2025

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### Issue

The City's funding for CACVB is based on a formula which was incorrectly calculated for FY26. An additional payment of \$167,923.04 is due to CACVB for FY26.

### Background / Rule

The agreement specifies CACVB is to receive 30% calculation of the 5% tax, with the specification that when the tax is greater than 5% a conversion should be made to keep the amount paid based on only 5%.

### Analysis

Using the formula, the City's FY26 budgeted contribution to CACVB was based on FY24 lodging tax revenues and a tax rate of 9%. However, the City's lodging tax rate in FY24 was 8% and did not increase to the current 9% rate until FY25. Revising the formula to use the correct tax rate of 8%, indicates the City's contribution amount for FY26 should be \$1,510,806. The amount included in the budget is \$1,342,939 and needs to be amended to include an additional \$167,867.

	FY 26 Calculation (CACVB Budget)	
Total Lodging Revenue	\$	8,057,631
Tax Rate		8%
Value per each 1%	\$	1,007,204
5% used for CACVB calculation	\$	5,036,019
30% of Above amount (rounded)	\$	1,510,806
Less: FY 26 Budgeted Contribution	\$	(1,342,939)
	\$	167,867

### Financial Impact

This resolution seeks to use previously appropriated funds from the citywide reserve account for the payment of the additional \$167,867 due to CACVB for FY26.

### Recommendation

Staff recommends approval of the resolution.

### Recommended Motion (if Applicable)

**Attachments**

1. CACVB Budget Amendment