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Albemarle County Board of Supervisors County Executive's Presentation to the Board - Recommended Budget, Wednesday, February 25, 2026

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[00:00:00] Good afternoon, everyone. I'm going to call to order the Board of Supervisors Wednesday, February 25th, 2026, 12 p.m. meeting here in Room 241. We have with us today Supervisor Sally Duncan of the Jack Jewett District, Supervisor B. Lapista-Kirtley of the Ravana District, Supervisor Fred Missel of the Samuel Miller District, Supervisor Mike Truitt of the Scottsville District, Supervisor Ann Malick is on the way. She was hitting all the red lights as she was coming here, so she will be joining us as soon as she arrives.

[00:00:39] Also with us are County Executive Mr. Jeff Richardson, Deputy County Executive Mr. Trevor Henry, Deputy County Executive Ann Wall, Chief Financial Officer Jake Sumner. We have a whole slew of staff and folks with us to be in support of what we are meeting for today.

[00:00:59] Our board clerk, Ms. Claudette Borgeson, is with us as well. A couple of ground rules. Uh-oh, somebody's going to have to give up their chair for the school board chair, please. Welcome to the school board chair. Thank you.

[00:01:14] And I see other elected school board members here as well, and our superintendent, Dr. Haas. So thank you all for joining. A couple of ground rules real quick. Room 241 is notorious in terms of sound

capability as it goes out into the world in public.

[00:01:31] So I'd like to remind everyone as you're speaking today that although we seem to be in a closer, more intimate setting, that you need to use your presentation voice because the mics are in the ceiling. So talking down and without some enunciation and volume is going to not translate out into the world, and there are folks that are listening both here in the auditorium but online as well.

[00:01:54] So I just ask that you do direct your voices at least up to the ceiling and project, please. And we'll call you out as needed if we feel like you're getting there. So don't take offense if I give you the, adjust your voice, please.

[00:02:10] But with that, we're here today to do, I mean, we've kicked, it feels like we kicked off budget season 10 years ago. But today's the official presentation where the board receives the county executive's budget. And it officially gets handed over to the board for our consideration, and we will begin our budget work sessions, public hearings, et cetera, that will eventually lead us to taking a final vote on the budget.

[00:02:36] So with that, Mr. County Executive, good afternoon, and I'll turn things over to you. Thank you, Mr. Chair. I think we referred to it feels like we work on the budget year-round. It's because to some degree we do, sir, and we're going to talk about that today in the presentation of some of the work that we have done to get to where we are today.

[00:03:00] So thank you very much for the introduction, and board, thank you. Thank you very much for your hard work that you put into this job every day, not just during the budget season, but 52 weeks during the year. Our staff considers it a partnership with each and every one of you. You have your role. We have ours.

[00:03:17] Today is the official start of this budget process. We'll recommend it today, and then we've got a series of work sessions where we look really forward, digging in with the board in our community, answering questions, recognizing that the board has a lot of work ahead. I'll take a second to thank our staff, the county staff, led by Jacob Sumner, our chief finance officer.

[00:03:38] but we have an amazing budget team, an amazing group of people that have worked diligently and very hard to get us to where they are today, as well as our departments who work collaboratively and cooperatively back through the budget process. It's a give and take process, and I couldn't be more proud of the team that we work with every day.

[00:03:58] And finally, I'm going to take a second and recognize Matt Haas, our superintendent of county schools, because it's not just about the county government today. It is about our most valued partner, Outmore County Public Schools. Superintendent Haas texted me this morning early, probably either before or right after his swim, and he said, good luck today. I hope it goes well.

[00:04:18] And one thing I can tell you is that he meant it. He means it every day. There's stress in our budget, in our work with schools. Some of that's designed by the framework in Virginia of how we work together. But behind the scenes, our staffs work really hard to help each other.

[00:04:34] and do what we can to help each other every day. So, Matt, thank you, and thank you to your team for your hard work. All right, board, let's go. So we're going to jump into this. And, board, I'm going to warn you before we get started. We went back and looked at the last two years, and Abby Stump, our

community and public engagement director, reminded me that we had about 45 slides last year and the year before.

[00:04:58] Well, today I'd like to tell you that we've cut this presentation down to 44 slides. We are working to be more streamlined and more efficient, but as I time the presentation out, it usually goes about 45 minutes, and that's without me thanking Matt Haas for an invaluable contribution.

[00:05:17] So today, here we go. We're going to talk today. Here's our agenda. We're going to cover for a few minutes how we approach budget development, the trends and drivers that we're seeing in the local economy and the impacts that it has on our budget. This board knows that we start those discussions each fall every year, bringing in Dr. Cheryl Bailey from Virginia Tech, and then that sort of tees up the work we have going through December and then the budget process.

[00:05:42] We'll spend much of the time today on key investments with our recommended budget for next year, and then before we wrap up today, we'll give you our next steps. Mr. Chair, we'll turn it back over to you, and if you've got questions today, we want to do our best to answer those questions, and then we'll wrap up. The community gauges our county government and how we do our work really in three ways, through three lenses. The first of which is economic vibrancy, the second of which is service delivery, and the third is quality of life. When we talk about economic vibrancy and

[00:06:18] how our public may think of us, it really has to do with the health and strength of our local economy. What that means to every community member is probably different, but again, they think of our local government as a connection to our community related to what are you doing to help with economic vibrancy. Second, and maybe most clearly, is service delivery. That has to do with the responses that our staff, our people do every day to our community members who need our assistance. It has to do with our training, our development, the quality hiring that we make, hanging on to good people that do good work, our policies, our response

[00:06:55] times, our systems investment. All of this matters whenever we talk about responding to our community and their needs. And finally, quality of life. And quality of life really is the subjective term that everybody in this room, we could take a minute and go, what does quality of life in Albuquerque County mean to you? And we would get different answers in the room. It matters to everyone. What they say matters, but there are different answers. And that's some of the challenges that we face in Albuquerque County every day addressing quality of life concerns in our community so the county has put strategies and

[00:07:32] policies that are in place to guide where and how our decisions are made and it's in an effort so that we can align our discretionary resources with the biggest opportunities and the biggest problems knowing board and you get tired of me saying this that we will run out of money before we run out of opportunities and problems every year that our community expects us to face these three documents go a long ways in framing how albemarle county does its work to the far right ac 44 is our 20-year comp plan it was updated this year and thank you board for your work and getting

[00:08:10] that across the goal line the ac 44 what i would say about it is that the growth management policy is the foundation of AC44, serving as a basic framework for the entire plan. The emphasis is on focused growth in the county's development areas while protecting the natural environment and the character of the rural area.

[00:08:34] It's a balance. You feel this every two weeks when you have your board meetings, that there's a balance and a stress between vibrant development areas, a vibrant economy, and protecting the rural character of our county. To the far left is our Economic Development Strategic Plan, also updated this past year.

[00:08:55] And our Economic Development Strategic Plan really helps to define what does good economic development look like in Albemarle County in 2026. It has to do with the county's efforts to energize the local and regional landscape and the local and regional economy, and diversify our tax base.

[00:09:18] And you'll hear more about that in just a few minutes. And finally, in the middle of these two documents is the Board of Supervisors and Staff Five-Year Strategic Plan. And I'll talk just a little bit about that, but that really goes into the board every five years, sitting down and saying, what are the things with the money that we have that we need to address now, or at least over the next two to five years?

[00:09:43] Our strategic plan has six strategic goals, and I believe that what we've got in place is a strategic plan, the five-year document. We're a little over halfway through that document, and let's talk about the strategic plan and how it embodies our board's direction.

[00:10:02] It's our job to focus on all six strategic areas. These goals do help to identify what our biggest opportunity areas are, and no matter how much money we have, It's never going to be enough to adequately move the needle in all six areas.

[00:10:18] And therein lies the multi-year budgeting process that we do, trying to do the most we can with what we have. The three goals that are the cost drivers are safety, education, and workforce and customer service.

[00:10:34] Those are the three that if we look at where our resources are allocated, where we see the most resources currently. And I'll take a second and tell the board that we're in year three of providing a SPEAR report. That's the Strategic Plan Execution Analysis and Reporting. So you just received last fall the second annual SPEAR report, two full years under our belt, and into year three.

[00:10:57] Well, what has that gotten us? It's got us improved accountability, better decision-making, increased transparency, and improved community outcomes. We measure our efforts, we measure the resources, because you cannot manage what you do not measure.

[00:11:13] And that's what we are a part of, is continuous improvement. It's not just about our strategic plan and the documents I've talked about. It's also about the board maintaining a set of financial policies and adhering to those policies. Adhering to the policies has allowed Albemarle County to maintain a triple-triple-A bond rating, and that allows us to be good stewards of taxpayer funds.

[00:11:37] Ultimately, this means that we save money and can do more with the money that we have over time. It's also about a commitment to performance improvement and cost savings. It's not just about the SPEAR report.

[00:11:53] It's also about investments in process optimization and systems modernization, investing in technology to advance government efficiency and customer service. It's also about staffing and efficiency studies.

[00:12:10] We have done several of these across the departments over the past several years with a focus on effective resource deployment. We want the level of staffing in the departments that we need to be able

to respond to the service demand across county government.

[00:12:27] Are we perfect and are we adequately resourced across all of the departments? We are not, but we are moving in a direction to where I think we're improving every single year. Finally, position re-engineering. The county has implemented a more strategic approach to staffing and vacancy management.

[00:12:45] The county government overall in this budget has three fewer positions than we did in FY26. I'm reminded of several years ago where Chairman Galloway, in a meeting, looked at the staff and said, I see the business optimization improvement in investments across county government.

[00:13:04] When are we going to begin to see some efficiencies and return on that investment? We're seeing it now. We're seeing it now with a rising level of service demand, and at the same time going through our budget and strategically putting more positions in public safety, but having fewer positions across the rest of county government.

[00:13:29] We set out to develop a balanced budget. There are multiple considerations that we take into account. Balancing the strategic plan goals and financial considerations are at the heart of the budget planning process. This is a slide board that you see every fall.

[00:13:46] Today's budget recommendation is built upon the discussion and guidance received by the board, starting with the strategic plan development process and then going into the five-year financial plan, which happens every fall. In August, as I mentioned earlier, you receive the SPIR report.

[00:14:03] That's a report on how are we performing. It's not just the good areas that we do really well in, that our data says that we're doing really well, but it also highlights the areas that we've got to do better in. And it could be more resources. It could be better training. It could be any of a number of things.

[00:14:20] But we do that every year. In October of 25, the board received a presentation on the economic outlook by Dr. Bailey. In November of 25, the board discussed its five-year financial plan. And also in November of 25, you got an update on our financial policies.

[00:14:36] And finally, in December, that's the Joint Supervisor School Board meeting to discuss school capital needs. We've been working on a slide that basically tries to answer one of the most common questions that we get every year during the budget process.

[00:14:54] Where does this money go? This graph shows in FY27 an allocation of every dollar that Albemarle County government receives. It's not just local revenue, but it's all the revenues coming in. I'll quickly just hit a couple of those, and that is over half of the money, 52%, goes to education.

[00:15:13] This includes the local transfer to schools operating budget, as well as planned projects in the capital improvement program, and also the service of our existing debt. The next largest category is public safety, which receives 14 cents of every dollar. This includes funding for our police, our fire, EMS services, as well as support of all county volunteer fire stations.

[00:15:34] In fiscal year 27, community development included CIP investments for the build-out of Boulders Road out at Ravana Station, and that has moved this investment to 11 cents. Within operations, at 10 cents, you'll find county operations covered, and it also includes investments in the Climate Action Fund.

[00:15:55] And finally, health and welfare includes the growth of our Affordable Housing Fund. This budget is balanced on a real estate tax rate of \$0.89.4 per 100 assessed value.

[00:16:11] There are no recommended changes to the tax rates from what we adopted in the FY26 budget. Navigating the 20, let me stop just for a second. Balancing the 27 recommended budget without recommending a tax rate increase or a significant reduction in local government services has been very challenging to this local government staff.

[00:16:37] I told this board last year when I recommended the 4-cent tax rate increase primarily to go to public safety with some money carved out for affordable housing and maintaining adequate funding for schools, I said I will try really hard in the next year not to come back for a second year in a row, even though our obligations continue to mount.

[00:16:58] I do not want to come back a second year in a row and recommend a tax rate increase. It requires multi-year planning with an eye on the coming year's obligations, positioning the county for future success while creating financial options in the event that our economy worsens.

[00:17:14] So navigating the 27-28 period, what I have recommended is that we look at continuing to undergo departmental studies, making decisions on how we look in FY28.

[00:17:31] So what that means is that we're not just looking at balancing strategies for FY27. We really are doing multi-year budgeting, maybe like no year before, because we're also examining FY28 obligations, and we're really looking at how this strategy sets us up to balance FY28.

[00:17:50] Let's take a look at what I'm referring to. What are examples of this? Look back, this is multi-year obligations going back to fiscal year 24, 25, 26, And, of course, we're going to talk about 27. In FY24, we experienced a significant increase in revenue.

[00:18:11] We purposefully set aside \$4.9 million for the FY25 obligations, meaning that this money was held in reserve. It was put into capital for capital expenses, which were one time for that year. But then we turned around and had it ready to go to operations in FY25 in partnership with our county schools, knowing that in FY25, we had obligations coming on, we looked at our potential for how much we were going to grow, and we were concerned that we not plow every piece of revenue into ongoing operations.

[00:18:45] Or you know that once you put it in operations, it's hard to take it back out without service reductions and the potential loss of staff. And so that was our strategy. Frankly, in hindsight, I don't believe it was enough because I remember the pain we went through in balancing 25, And I told the budget team I was really proud of the fact that we did \$4.9 million.

[00:19:05] In hindsight, I wish we could have got \$7 or \$8 million in the reserve preparing for \$25 and \$26. I think it's been that demanding. Again, look at something that's similar but different in fiscal year 26. After several tough budget years with our local government schools combined health fund, We knew that we would need to move one-time money, an infusion of money, into the shared health care fund in order to do two things, replenish fund balance and also lessen the premium increase to both local government and schools' employees.

[00:19:43] So again, what local government did in 26 was we moved \$9 million over into the health care fund 2.3 as i recall for local government and 7.7 for schools in order to soften the blow with a health care fund that was just not performing well i've got good news it's stabilized since that time and it's due to a lot

of effort from both schools and local government staff and board the final thing i'd caveat with that is that when we see things happening and this was over several years when a school's budget is set up they usually will not carry reserves that would

[00:20:19] be adequate to be able to take such a hit as we did last year in FY26. It just suggests that local government must plan for uncertainties, and in doing so, we need to pay attention to our capital reserves and our non-committed reserve money for situations that come up.

[00:20:38] Here's some specific obligations that we will pick up in FY27, as other planned expenses will require local funding. Examples of operating costs associated with two new schools. So So Matt and his team are going to open two new schools next year, and they need the operating costs associated with that.

[00:20:58] We're also picking up the costs associated with the expiring FEMA Safer Grants, and so we're also going to do that. Key partner agency agreements, Charlottesville-Albemore SPCA, the ECC, the Charlottesville-Albemore Transit, and Ravanna Solid Waste Authority.

[00:21:17] These are all key partner agencies that we work with, and they've got escalating costs. Changes at the federal level continue to shift revenues, particularly for some of our partner agencies. The fiscal year 27 budget includes increased funding for some of our partner agencies to make up for lost federal money and maintain services to our community.

[00:21:40] So, board, I want to take a minute and rewind back to November 24. I showed you slides looking at multi-year obligations. This is a slide that our two new board members would not necessarily have seen on the board. They may have been in the audience or been participating.

[00:21:58] But one year ago in November of 24, we showed you during our five-year financial planning work that we had an increasingly concerning gap in fiscal year 26 through fiscal year 30.

[00:22:14] Look at fiscal year 26 for a minute. We talked about this in November of 2024, that we had a 3.1% gap. We were not able to close that gap during the budget process. We had talked for several years, Board, that we knew that as we went to our third and fourth FEMA SAFER grant, that we were taking three years of federal money.

[00:22:38] We were hiring firefighters. Those grants fade, and they expect local government to pick up the cost. And by the time we got to fiscal year 26, we were seeing some of that, and that really was what anchored the 4-cent tax rate increase recommendation.

[00:22:55] So you can see, though, that grows out through fiscal year 30 to 9%. And so our team was concerned, and that's both schools and local government. We were looking at out-year obligations and out-year revenue, and we were concerned as to how we were going to continue to meet obligations and maintain adequate service delivery to our community.

[00:23:22] This is November of 2025. In November of 2025, the board had a work session on a five-year financial plan. This slide was included in the work session. The data on this slide represents what we've been talking about, that over the next five years as we continue to see obligations growing, what changes is that the revenue picture looks different than it did in the last iteration one year prior.

[00:23:47] And it's due to two factors. Number one, the board agreed to increase the tax rate in fiscal 26 by four cents. So that has out-year complications related to revenue. Number two is the board's goal to diversify the tax base.

[00:24:05] And when we look out into fiscal year 29, 30, and 31, with some of the work that our economic development team has been doing with this board's support, you can begin to see that there is a brighter picture with our revenue growth as we look into fiscal year 29 and beyond.

[00:24:24] Let's dig for a second and look at more closely what does that look like. The county recently undertook a study to understand how different classes of property drive the services that we deliver. In board, we found that for every dollar that we get from residential taxpayers, For every dollar we get, it costs \$1.41 to serve.

[00:24:49] As it relates to commercial and industry, for every dollar that we receive in tax revenue, it costs \$0.32 to serve. And so there's where you see a positive revenue source that can help to pay for all the services that we provide.

[00:25:09] And finally, agricultural, which is at 15.1%, respectfully, it costs 54 cents for every dollar received. I want to focus, though, if I can, on the 11.3%, because this board and staff have had some very direct conversations about our need to diversify our tax base.

[00:25:31] What does that look like? Well, look back at 2015. In 2015, and this board has talked about it, we had a commercial and industry tax base that was around 15%. As we look at 2025, it has shrunk to 11.3%.

[00:25:49] And this board has said openly to me, we've talked about it when we put together our economic development strategic plan, we've got to grow the commercial and industrial tax base. We've got to get more capital investment because that's where we get our positive revenue, And that's when we can turn around with that positive revenue and address more opportunities and more problems across all of our strategic goals.

[00:26:13] And that's what we intend to do. Specific to the 11.3%, we continue to work to strengthen this tax base, specifically commercial and industry. Examples of this in the last year include getting Home Depot as the anchor tenant at the Fashion Square Mall.

[00:26:32] We hope that's going to be a catalyst in turning around that tax base that is at the mall. We've talked specifically about that. It also includes supporting our existing industry and being able to support and be responsive to them as they position to grow.

[00:26:47] A great example is Afton Scientific, which in the last year announced \$200 more million of capital investment and 200 more employees. And finally, the AstraZeneca announcement, which when that announcement was made at Ravana Station, that really is the private catalyst project for that site.

[00:27:09] We know that we're positioning ourselves, hopefully, for future economic growth over the next five to seven years. And, Board, Jacob and his team have modeled that in the next five years, if nothing else happens, we're poised with just those announcements to go back to 15%.

[00:27:26] And so we're on our way to strengthening our tax base and diversifying our economy. So, Board, I want to say one more thing about the two periods over the next five years and just state it maybe another way, two periods within the next five years to help us understand our multi-year budgeting strategy.

[00:27:48] In the shorter term, in fiscal years 27 and 28, our evolving revenue outlook, We have to keep an eye on the unpredictability of what could happen that could affect us in a significant way. We have

significant expenditure obligations, and so we're going to have to be mindful and a bit conservative in how we move and navigate through 27 and 28.

[00:28:12] And then as we look longer into 29 through 31, we've got strategies that are in place, and we can measure a changing tax base. It's not going to happen overnight, it's not going to be revolutionary, it's going to be evolutionary, and it's going to happen over time, but the continued sticking with that plan will help us hopefully to get above 15%, and as some of our benchmark communities suggest, they're into the 17% to 22%, and that may be long-term a goal for us to consider.

[00:28:46] So it's not just an opportunity to address obligations long-term, it could also be an opportunity to more robustly advance the strategic plan. I think I've talked about our multi-year tactics. The FY27 recommended budget will include revenue from the county's budget stabilization reserve to fund obligations in local government really for the next two years, 27 and 28.

[00:29:13] The budget that I'm recommending is going to ask that you use one-quarter of the 2% reserve in 27 and in 28. That will keep in place the additional 1% remaining to provide flexibility should we encounter other unexpected financial needs.

[00:29:33] This recommended budget also recommends that we transfer to the CIP. The county executive's proposed budget for FY27 is asking you to consider a one-time \$6.4 million transfer to the CIP. I would suggest you put that in year five and that we put it to be determined as it relates to the appropriate project.

[00:29:55] It could be the school's has the highest priority, and we earmark that for schools. We'll know more in the next 24 months. The school's operating transfer, the county executive's proposed budget for FY27 recommends that should the school's state revenue change substantially in the future.

[00:30:14] The recommended local government transfer for operating funds could be reprioritized from this CIP placeholder to replace lost revenue. Now, let me give an example of what that looks like. Local composite index, very volatile over the last two years. Two years ago, I believe that it swung against the county to the degree of about \$10 million of state funding that went away from schools two years ago.

[00:30:42] This is read every two years and adjusted every two years. Recently, we got the report that the LCI had swung back positively in the direction of Albemarle County. I believe it was about \$11.5 million to the good. But you can see just in the last two years with one \$10 million swing to the badge and one \$11.5 million swing to the good that that volatility two years from now, if it doesn't yet again, that if we've got capital reserve sitting aside as a consideration and we're not yet to a point where we see the level of revenue stabilization that we need, we could make a decision to help the schools with that money.

[00:31:20] Or, if things are stable, we keep it in the reserve and the discussions continue about what we need to do with that money long term. We tend to focus on the general fund during the budget season because that's where all the tax revenues are received, the primary funding source for schools, capital, debt, and it's where the board has the maximum amount of policy decisions.

[00:31:44] This budget in the general fund has \$512 million. It's balanced, and we know that because the recommended expenditures are balanced to this based on revenues. Now, let's take a minute and let's look at key investments in our county that's recommended in this coming budget.

[00:32:04] I've recommended that we will fund three new police officer positions starting mid-budget year next year to support public safety. I'd remind this board and thank you for the support that we've added 19 additional police officer positions since 2021.

[00:32:21] Over the past three years, we had a 19% increase in calls for service in the Albemarle County Police Department. In 2025, calls for service were 92,727 calls.

[00:32:36] You can take that and divide it by 365 to get a flavor of what the per day average is on call volume in the police department. These officers that we've hired along with previous additions and investments in police staffing will help to ensure coverage meets demand across our growing community.

[00:32:54] In addition to that, we've also undertaken a comprehensive public safety staffing study to both address police and fire department issues to ensure that we're most effectively providing public safety response the best way that we can. The study reviewed industry standards and best practices, made recommendations for infrastructure, deployment, staffing, and we will begin to address those recommendations over the next five years in order to be able to follow the plan.

[00:33:23] This budget continues the multi-year implementation of those recommendations. And finally, this budget recommends that we allocate \$2.3 million to keep our police salaries competitive. As it relates to recruitment and retention, public safety pay structure has been reviewed under the county's established market-based compensation philosophy.

[00:33:45] And based on that, that's where these recommendations come from. As it relates to fires, Albemarle County is also committed to ensuring fire rescue has the resources needed to serve the community effectively. In recent years, the county has successfully leveraged federal grant funding from FEMA's Safer Grant Program to hire firefighters.

[00:34:08] These hires address critical challenges, including volunteer shortages and an increasing demand for fire and emergency medical services, especially in our urban ring. While this funding allowed for us to defer the cost of hiring last year, we started transitioning these positions from federal funding to local funding.

[00:34:26] That transition continues in FY27. We have successfully competed for four FEMA grants since 2021. Those grants totaled \$12.7 million of federal money. And with that, we hired 57 firefighter positions.

[00:34:44] Now we will pick up the local funding for 30 positions in FY27, and that amount is \$1.7 million. Board, I also want you to note that in this budget, we are recommending that we go after what we will call FEMA 5, and that is a fifth FEMA grant that I believe will fund four positions if we are successful, and if we're not successful, I think at this point what we're trying to do is get ahead rather than to be reactive, and so we're going to compete for FEMA 5, and we can dig into what that looks like once we get into the budget work session.

[00:35:19] Finally, the budget contains \$900,000 to keep our fire rescue salaries competitive for recruitment retention. And again, the fire rescue department, just like police pay structure, was reviewed under the county's market-based compensation philosophy.

[00:35:36] And these recommendations come from that analysis. I will also say that the fire department has seen a 14% increase in calls for service over the past three years. Also under public safety, this budget

recommends the addition of three new sheriff's deputy positions with the opening of the new court facilities the past year and more facilities coming online in future years.

[00:36:02] These positions are being added to assist with day-to-day operations of the office, including courthouse and courtroom security, as well as inmate transportation and civil processing. Emergency management. The Office of Emergency Management, OEM, is being moved from within the Fire Rescue Department to a standalone office within the public safety function of Almar County.

[00:36:29] OEM is what we refer to the Office of Emergency Management. I'll remind the board and our public that they are responsible for strategic planning, coordination, and the execution of emergency management activities across all phases of emergency management. This includes preparedness, response, recovery, and mitigation.

[00:36:49] And board, several years ago, you emphasized this need as we deal with more and more natural occurrences that really stress our community. More and more oftentimes than not, it's weather events. You said let's strengthen that emergency management muscle.

[00:37:06] And by pulling it out from under fire rescue, putting it alongside in that public safety umbrella. and I'll note that this reorganization is budget neutral. We've asked for no new positions with this, but we think we're positioning OEM to continue to make a meaningful impact in this community as we strengthen our emergency management work.

[00:37:31] I've talked a little bit about our investment in schools, but I'll go back and go through it as it relates to our strategic plan. I first say that for fiscal year 27, the total school fund is projected to grow by 7.3%.

[00:37:49] That's what I'm recommending. That's a \$20.7 million increase. Included in that \$20.7 million increase is a \$9 million increase in our local funding to schools. So \$9 million of the total of 20.7.

[00:38:07] The remainder is made up by state funding. So I would highlight that at this funding level that we believe that the schools will have what they need to open two new schools that will open in 26-27 school year. That's Mountain View Upper Elementary, Ace Academy, Lamb's Lane.

[00:38:25] Also to fully meet the obligations of the public school bargaining agreement that includes salary increases for staff, teachers, and the additional positions for increased planning time and guaranteed breaks for elementary school teachers. It also is a commitment by schools out of their adopted strategic target compensation for teachers and classified employees, and that is 10% above the market average.

[00:38:51] Another way of saying that is the 60th percentile. Our county school system continues to rank high across the state for per-pupil funding and low class sizes. I'll take a look at public school's operating budget year-to-year increased investment and ongoing revenue sources.

[00:39:12] The Board of Supervisors' ongoing investment in its education and learning strategic goal is part of the story as 72% of school fund operations in FY27 are projected to be funded by the general fund transfer to school operations. This slide shows totally increased revenue for public school's operating budget over the past 10 years, And in the FY27 budget, on average, the school's funding ongoing operating revenues have grown by 5.8% each year.

[00:39:41] This period incorporates a wide range of changing circumstances, such as tax rate increases for public education, the opening of school additions, changes in state funding, the pandemic's initial revenue decline, followed by the historically strong revenue growth that followed it.

[00:39:58] All right, going through the other investments for FY27, for the second year in a row, we have a total recommended increase of \$5 million for affordable housing investment fund.

[00:40:14] Investment in affordable housing allows the county to continue to invest in developer incentives and other initiatives to expand affordable housing options. Efforts focus on increasing the supply of affordable homes and rental units, supporting workforce housing, and assisting residents in securing stable housing.

[00:40:33] I'll take a second, Ward, and just remind you that since the Affordable Housing Investment Fund was created in fiscal year 2019, Albemarle has invested in over \$22 million into affordable housing projects and programs. And these investments have helped to support the construction or preservation of over 1,700 units of affordable housing, both renter and rental and owner-occupied, shelter and support services for over 280 victims of domestic violence, and 539 individuals experiencing homelessness.

[00:41:09] Finally, we've also been able to provide funding for housing counseling and navigation support for over 788 individuals and families. And before I leave this slide, I'm also, and I really give all the credit to this Board of Supervisors, the FY27 budget also includes a 20% increase to the Tax Relief for the Elderly and Disabled program.

[00:41:34] This provides real estate and mobile home tax exemption for taxpayers who qualify under age, financial, or medical guidelines. Total funding available for this program in the coming fiscal year is \$2.8 million. This increase is due to the expenditure trends of the program and changes in the income thresholds and financial worth criteria approved by this board in January of this year.

[00:41:59] Investment in our environmental services, we have continued seven-tenths of a penny, dedicated water resources funding, and what will continue to help cover water resources operating and debt service payment costs and also reserve CIP projects.

[00:42:18] Also embedded in this recommendation is climate action funding for \$300,000 in FY27. It will match the one-time funding put into the program in FY26, along with \$221,000 of reappropriated money from the prior fiscal years for programs that are yet to be completed.

[00:42:38] the Department of Facilities and Environmental Services has also re-prioritized staff time in an effort to accelerate our progress on projects. Examples of that would include residential energy improvements, county building energy efficiency programs, the Energy Resource Hub, Climate Action Collaborative Initiative, and the Climate Resilience Cohort Support.

[00:43:04] Also, before we leave this slide, I want to bring attention to the plastic bag tax revenue that we predict in 2027 will total \$140,000. Several years ago, you approved this program, I believe it's 5 cents per plastic bag in Albemarle County, and we had to take that money in air market for community cleanup efforts.

[00:43:27] Over the life of this program, it's been in existence since, I believe, 2023, We've collected \$440,000, and funding that has been collected has been used to support the distribution of reusable

shopping bags, programs to mitigate roadside litter, along with county right-of-ways, a litter education program, along with other efforts to reduce litter in our county rights-of-way and public waterways.

[00:43:54] I really thank the community groups, the volunteer community groups in our community that are out there doing these programs every day to try to keep our community more clean. But with this program, from December of 2024 to December of 2025, we cleaned 1,023 miles of roads in Albemarle County, and we picked up 3,932 bags of trash.

[00:44:20] Economic development, we've talked a little bit about the importance of economic development as a strategy to diversify and balance our tax base and reduce the reliance on the residential taxpayer. The FY27 recommended budget includes a recommendation of \$4.15 million of additional one-time money for the Economic Development Fund. The Economic Development Fund was designed so that we could provide ready flexible funding to support economic development opportunities.

[00:44:54] We lived through this during the AstraZeneca attraction effort that we toward we had the ability to quickly respond to their needs and it was critical in landing the company here in Albemarle County. Economic development opportunities don't come on a predictable schedule. We've learned that as well. We need to always balance cash on hand against unknown future opportunities.

[00:45:16] Having a sufficient fund available allows us to have a stronger comfort approving funding for good opportunities aligned with our strategic plan today knowing that we will have funding for tomorrow. Much of the FY26 balance in this fund will be used for the local contribution to the boulders Road Extension Project, which will support the needs of Rubana Station and its existing 3,000 employees with that support of the Rubana Station.

[00:45:44] It also primes us to be ready to support AstraZeneca, its 600 employees, as well as the movement of materials and projects to and from the site. The new Economic Development Strategic Plan provides a focused roadmap for how to advance our economic development efforts and our support of thriving businesses and a strong business environment.

[00:46:07] Awareness and interest in Alomar County is a place to do business and grow a business due to our recent announcements. We now are getting more attention and we want to invest in this program as we seek this moment to sustain momentum going into the future.

[00:46:25] Stable workforce, consistent with past budgets, It's the county's compensation philosophy. The FY27 budget includes review of our classified pay scale positions. It's on a two-year cycle, and it recommends adjustments to market to ensure that positions are meeting average market compensation.

[00:46:45] Board, thank you for supporting this several years ago because our recruitment efforts are stronger than they were before, our applicant pools are stronger than they were before, and our retention numbers suggest that we're having success with this program, And I appreciate you supporting it. It also includes a 2% COLA and a one-time bonus for classified staff.

[00:47:04] We can also continue to invest in staff training and staff development. This total staff training and development budget for all departments is \$1.4 million in 2027. As the community grows, the scale of complexity and service delivery increases.

[00:47:20] Our staff needs to continue to be developed. Our skills need to be developed. As our community changes, we have to be able to pivot and to be able to address changing needs within our

community. Training and development allows us to do that. Finally, our health care cost management, rising health care claims are stabilizing, but the increasing cost for the county and our partner agencies would suggest that we budget 8% in plan year 2027 to cover increased cost to our health care fund.

[00:47:53] Highmark County recognizes that government cannot meet every need alone by funding local, non-profit, community organizations. We strengthen the regional safety net and provide residents access to vital services. This slide is intentionally busy, overwhelming, and several of our staff said, I don't like this slide.

[00:48:13] Well, the \$40.7 million in funding that's recommended to 68 distinct partner agencies, it is somewhat overwhelming. The partnerships that we have in this community are amazing, and without them, we would not be able to provide the services that we provide.

[00:48:32] Let's dig into that just a little more closely. This is a force multiplier in getting vital services to our residents through community partners. For an example, public safety. \$14.5 million. It represents a 20% increase from last year across five partner agencies.

[00:48:49] Highlights include money for the Albemarle-Charlottesville Regional Jail, and that's the county's share of debt service for the renovation funding to improve facility conditions for the first time in 50 years. Emergency Communications Center, E911 services and emergency response coordination.

[00:49:10] It's a partnership with the city and UVA, and this will cover our increase in operating costs. And finally, Charlottesville-Albemarle SPCA. We're in a multi-year contract with SPCA, funding increases to support operational costs and services related to the work that they do.

[00:49:30] Let's look for a minute at transit, \$8.2 million. That includes increases for Charlotte area transit, CAP, as well as micro-CAP. And then also, John, included in this also is libraries and tourism, \$7.7 million for our libraries, along with Charlottesville Albemarle Convention and Visitors Bureau, where we are working every day to strengthen regional tourism that helps with our economic impact.

[00:49:57] Health and Welfare at \$4.1 million. That includes Region 10, the Health Department, AHIP, and Jefferson Board on Aging. And finally, Public Works 3.5. That primarily is the relationship and partnership we have with Ravana Solid Waste Authority, who provides recycling, solid waste, and household hazardous waste disposable for our community.

[00:50:22] The Human Services Funding Program, prioritized funding that serves the most vulnerable members of our community, including elderly, households with kids under the age of six, medically vulnerable individuals, enhanced compliance, ensures that funding programs are effective and accountable.

[00:50:41] FY funding is \$1.6 million. That's \$110,000 or a 7.2% increase from the previous years. And it covers such critical programs as loans and missions, child health partnership, and the Ready Kids Mental Health Care Program for kids and teens.

[00:51:00] All right, we're on the home stretch. Let's transition and talk for a couple of minutes about the CIP. There's really five projects that are driving our current CIP. So before we wrap up and move on to the next steps, let's take a minute to focus on the county's CIP program and debt services.

[00:51:17] The county is currently in the process of executing the five largest CIP projects in the history of Atmar County. The county courts project, Ravana Futures property purchase, and the construction of

three new schools. These five projects have budgets that total \$296 million.

[00:51:33] As they compete, they create funding obligations for the next 20 years, issuing the bonds to pay for them. Ports is around \$68 million, Ravana Futures \$58 million, Mountain View Elementary \$50 million, Ace Academy \$49 million, and the Northern Theater Pattern \$68 million.

[00:51:52] The county's debt service is our mortgage payment. The county's projected debt service is compliant with the Ports financial management policies. And over the next five years, if nothing happens to our CIP and it stays just exactly like it is, our CIP debt service payment will go from \$27 million a year, which is what it is right now, to \$55 million a year by fiscal year 31.

[00:52:17] That's the last year of the CIP. So that's \$28 million of new money that we're going to have to generate in order to meet our obligations as we move to 2031. So our CIP plan school summary, in addition to the operational budget for schools, the county executive's recommended capital CIP for the FY27-31 includes \$196.8 million over the next five years of the plan for public schools capital investments.

[00:52:49] And those investments were shown on the screen, and as we get into our budget work sessions, we can talk more specifically about what these are. Related to local government, the local government projects in the CIP includes years three through five being very light with new projects, with our focus being on maintaining ongoing programs and paying our current debt service.

[00:53:12] And again, as we get into our budget work sessions, we can talk a little bit more about what these mean. So, board, as I wrap up, and I'm about wrapped up, and then we'll turn it over to Chair Galloway for questions from the board.

[00:53:28] Our key takeaways for fiscal year recommended budget, fiscal year 27, is no proposed changes to the current tax rates. Our obligations continue to rise, and through multi-year budget planning, we're going to meet the expectations that we stay on top of our obligations, stay on top of our increased demands for service, And then strategize, as I've discussed today, on how we can best put our resources to get the most out of our resources and to meet community expectations.

[00:54:03] Service demands are evolving, and we need to meet the changing community needs. We have an evolving tax base. We need to plan ahead for significant investments. And finally, as I've said, we are prudent in our multi-year planning and will continue to help shape our future over the next five years.

[00:54:21] The board, I'm going to quickly go over the next steps of what happens after today as the board and our community will dive into this document and we will work through our work sessions. We will begin work sessions in March, wrap those and hold public hearings in the town halls through April before the adoption of the budget and setting the tax rate on April 22nd.

[00:54:45] I will remind the board in our community that our work sessions will start at 5 p.m. and that our town halls are scheduled to start at 6 p.m. And board, as you've grown accustomed to expecting, we will have staff at these town halls, at our budget town halls, representing every single county department.

[00:55:05] We'll invite our public in early. We will want our public to engage our staff to understand more about the services that we provide, and then that will lead to our budget town halls. So board, that is it. Thank you board, thank you staff. I look forward to moving to working more closely at our upcoming budget work sessions. Mr. Chair, I'm going to turn it over to you at this time though and see if there are questions today that our staff can answer. Thank you very much.

[00:55:32] All right, thank you, Mr. Richardson. A note for the public, the full document of the investment in action recommended budget was made available online prior to the meeting start. So for those of you following along, that is there for you all to go check out if you would like.

[00:55:53] So now we'll simply go through and hear from the supervisors. In addition to questions, I would ask that you can, by all means, share initial reactions if you choose, parking lot questions, those sorts of things. So we'll start. Supervisor Malik?

[00:56:09] Thank you very much, and thank you for the presentation. I don't have detailed questions because I'm still drinking from firewoods here. I would request printed pages from today's presentation that we can edit it going forward when we're doing presentations that we have things ready to write on in the pages.

[00:56:26] This is the first time we haven't done that, and it's something I missed. So I wanted to share that. The cost shift is something I think we'll have a lot more discussion about. There was certainly a lot of discussion about that in Washington this past weekend. So I'm glad that you were setting aside for that and look forward to learning more very much.

[00:56:48] All right, Supervisor Pruitt. I have quite a few more questions. So apologies in advance. I'm actually going to pick up immediately where Supervisor Malik stepped up and wondering if you could quantify or exemplify some of those federal cost shifts.

[00:57:06] I remember we heard from Dr. Petty a while ago about there was like \$100,000 in compliance costs for a constituent-facing public benefit program that was shifted to us. I know there's some of our partner agencies from that big, busy slide are facing cost shifts that we're picking up, it looks like, 5.8% of slack and increase on.

[00:57:35] I'm wondering what are some other federal cautious that we are facing as a locality that would be helpful to have in my back pocket when talking about it. Can I ask the budget team? You probably can reel through those much quicker than I can, and I just don't have the knowledge that you've got about that, please.

[00:57:55] If the answer is I'll get a follow-up email, I also understand. I'll answer this in two ways. The first is, yes, we will get a follow-up email, and I'll clarify for the public who are here or listening, Every question that is not answered in this work session, all of that will be posted on the website for transparency.

[00:58:13] So we'll get a full accounting for that. I will say there are examples with Region 10, one of our economic development agencies in the health department, where they do have funding that has been lost, and staff is recommending to continue those services by providing local funding. We could provide a full accounting of that as follows through the work session of what those examples are, because they are sprinkled through the document.

[00:58:35] And I'll say on the revenue side, we're continuing to watch very closely with changes in SNAP programs, how that may evolve, how that may play out in the state. So that's not something we have a concrete answer for now other than it's being watched very closely. Related, and this might be something that we would have to pitch separately to our colleagues in schools.

[00:58:58] I know some peer localities in the northern part of the state are facing really direct investigations from the administration onto their continued funding due to federal regulation compliance. I am not sure that we're facing that same level of direct scrutiny, and so I'm just wondering if there's a sense that I could get on the security of our federal portion of schools funding.

[00:59:25] And that might be, again, a parking lot question for a follow-up. I would need to defer our school colleagues on that. And knowing that they are here today as audience members, I think that would be best as a follow-up. I understand. We're looking at that. Something that I do know, you might have the exact number in your pocket.

[00:59:45] What is our remaining debt capacity just offhand if we were to issue it as regular bonds, not as referendum? I do not have that either in my pocket or on the top of my head. But we do have the updated chart of what the county's debt capacity would be.

[01:00:04] And that is on, for those of you who are following along one line, or perhaps here, that is going to be on page 281. And so, though we did not actually state that dollar amount, we will make sure we have that by the work session.

[01:00:23] Back on December 3rd, I believe that amount was around \$72 million. And we'll share where that is, because the tightest point in the headroom is in fiscal year 31 now. And I want to state something again, because it's been thrust into the square of public discourse a little bit more.

[01:00:41] And I want to state an understanding I have and make sure, just confirm it. That is under the assumption that it is not issued as a referendum. A referendum would give us a better point value and thus would have a larger amount of just raw dollars. That is correct. We are assuming we will issue through the traditional conduit through the EDA for those bonds. So should the board at a future state decide to go a general obligation route, that would generate a rate of about 25 basis points or about a quarter better than the rate we would have otherwise. Understood. Very roughly skimming

[01:01:16] close to \$100 million as opposed to \$70 something. I'm not going to ask you to check that path. We will give that as a follow up and we'll make it very clear when we come back in the work session with the CIP. While we're talking about the CIP, I think I know the answer for this, but I want to make sure we're being pretty clear about it.

[01:01:36] You briefed on the one-time transfer of 6.8 to CIP. That is over and above the normal transfer to the CIP that we always do as part of the split-wise to join our budget, correct? That is correct, yes. Slide 24. I want to make sure, again, this is confirming something I think I know, but the increase, and this is also on 25, but it came up first on 24.

[01:02:15] Both of these talk about salary competitiveness. I assume the budget includes a colon bump. Is that accurate across staff? We have two different sets of pay scales. We have the public safety pay scale, and then we have the classified scale.

[01:02:31] So later on the slide around the workforce stabilization goal, that speaks to the 2% cost of living increase that is included in the classified scale. The numbers we have here for the \$2.3 million on the police scale and the \$900,000 on the fire rescue scale, those are inclusive of the changes that would be made on those scales.

[01:02:53] So it would be in addition to because it's separate in addition to their own COLA any addition because there's also Step reclassification if I'm recalling. There's an increase in granularity of steps. We'll walk through this in more detail because there are different scales. There are different criteria and we'll make it very clear how the process is in which they are funded.

[01:03:14] Thank you. To one really big question and you can answer this in the level of depth you think is appropriate for this moment. In your school capital plan, we have a notional placeholder for year 31, which I recognize, I think I recognize, when we were briefed, when we were discussing the feasibility of a new high school, there would be a tremendous amount of sacrifices that went into it, and the earliest it could be done would be 31.

[01:03:47] And so I'm assuming that's there as a placeholder for if we do all the several different budgetary sacrifices that would be necessary for a new high school construction. That would be the earliest we could start. Is that a correct understanding? Yeah, I'm going to start here, and if anyone down the line would like to chime in, really a lot of that strategy is creating flexibility for the Board of Supervisors.

[01:04:09] Back on December 3rd, and we'll talk about this at the Capitol and the other work sessions, we talked about that as part of the possible, where there's a lot of options, and you would need a lot of them, a lot of partnership, and a lot of your planning to make all of that happen. And so this is a strategy that begins to, knowing that it would take multiple years to get there by putting that in year five.

[01:04:29] Additionally, to the county executive's point earlier, if we're in a situation by putting that money further out, if we find ourselves with an unfavorable local closet index in two years, there's a way that we'd be able to respond to that better than we could have two years ago. And so part of this is trying to, again, think of that multi-year approach about how can we position ourselves now to give flexibility to the board and both now and in the future.

[01:04:53] This is going to skirt the difference between a comment and a question. But our presentation in December was about the art of the possible, and it required some really serious sacrifices that we'd have to make to reach this target of roughly \$250 million to start in 31.

[01:05:15] This sets aside 6.8 for capital. As I'm remembering, that is not the degree of sacrifice we need to make starting now to get to that target. And I want to make sure I'm correctly remembered for that. This is not a budget that is, as it's currently laid out, one that is equipped to be part of the plan that we would assume that would be necessary to get to 31.

[01:05:42] To manage the boards and the public expectations in no way is this construct a major capital project, but it is a step in the direction to one day give flexibility to the board if that is the direction they would like to head in. And I guess now I will make it explicitly a comment.

[01:05:59] If we were planning to build a new comprehensive high school at the budget level requested, the capital outweighs that I see us making and the planning that we are setting does not get us there. It needs to be significantly more significant with that significantly more strain on our government.

[01:06:19] 6.8 million is not what we need to be putting away to get there. It would be something much, much more painful. And the 6.8, I'm sure we're going to, as we continue our budget process, is already going to feel painful. And so I just want to throw that out there for public discussion, right?

[01:06:37] And to see this environment as we get into the budget process, if we want to be serious about what it's going to take to fund a high school, this is putting our toe in the water, this is not walking down the ramp into the pool.

[01:06:55] It is going to be a much more painful process if we are going to walk down that ramp into the pool. Something that actually is a question. So if I may just clarify, because we've thrown a lot of numbers around \$6.4 million rather than \$6.8 million.

[01:07:11] Oh, thank you. I don't have the slide in front of me. I will misquote numbers during work sessions, too, and I know the crew around me will correct me. But I just want to clarify with all the numbers today, that part. That could be a fun political strategy for me to just mildly misstate a number of numbers.

[01:07:30] It's like, well, you said 6.8. It was an obvious mistake, though. On the level of more direct questioning, can you remind me, You know my habit of being skeptical of the one-time economic development fund outlets.

[01:07:48] I'm going to refresh that habit even while I know economic development is going to be a very important direction for our county in their occurring years. Can you remind me what the previous year's one-time fund contributions to this fund have looked like and what the current fund balance looks like?

[01:08:06] Yeah, we can provide the full history as followed to this. Last year, what the board added was a little under a million dollars, if I respond correctly, if I can be given the grace to be within a few hundred thousand dollars either way. Thank you, staff. And so really, that balance with a lot of the investments with economic development projects the board has approved, one of the items in the board with the Boulders Road being constructed, the primary funding source of that, well, the primary funding source is the state, AstraZeneca.

[01:08:35] The county is also contributing dollars from the Economic Development Fund. And so that's one where that balance has gotten quite low, and we'll get to the work session what that dollar amount is. And so this is intended to provide flexibility over those years, as the county executive described. But we'll have that back as a work session as well.

[01:08:52] This one-time funding infusion, though, isn't preemptively required for the Boulders Road extension? No, Boulders Road can be constructed without a \$4.15 million infusion, but this is really trying to refill that to position the county for the future. And there have been a lot of costs that have been planned for, but my understanding is most of those, a lot of our economic development funding gets done through tax expenditures rather than through direct expenditures, which is part of where my skepticism is coming from, the necessity of it being refilled at this level.

[01:09:26] There is a combination of tax rebates under performance agreements, the board approves, and there is a one-time investment, and we can provide that full report in as a follow-up as well. Thank you. I am not sure I have another question.

[01:09:43] A very big-picture question. You can answer it as quickly as well, and then I'll be done. Do you think we could have made it without AstraZeneca to plan around? This may be a question more for Mr. Richardson today. This is like a big-picture question.

[01:09:58] Could we have balanced this budget this year without the knowledge that we can rely on future revenue for AstraZeneca? I would have recommended a tax rate increase, two pennies at the minimum. That's what I thought, but I wanted to be able to rely on that statement.

[01:10:14] Thank you. And that's the first time I've been asked that question by the board, and that's the first time we've talked about it. We've never talked about it. You've never asked me that question. But I could not have, in good faith, recommended that we pull from the Budget Stabilization Fund, which is a half a percent this year, a half a percent next year.

[01:10:36] That fund right now has 2% in it, \$6 million for each percent, so we've got \$12 million. And the staff was confident in this strategy because of our out-year look in 29 through 31. It looks good.

[01:10:53] All we would have been doing is kicking the can down the road without the AstraZeneca announcement, and I'd have had to come to this board for a second year in a row and recommend a tax rate increase because of this board and this board's willingness and our needs to address our infrastructure issues that we are tackling.

[01:11:10] And you can see that in the CIP every day. So that's a really good question. I didn't expect it, but that's exactly what we were facing. I do have one more question. I was thinking through, while we were doing this very early on, because we always have to justify our new expenses.

[01:11:29] What are the future expenses? What are the future expenses for 28, right? And I'm thinking, what are the ones that we control? What are the ones that we don't control? Control, we control things like new public demand for housing trust, transit expansion through microCAD, increase in police, Schools, operating funds, collective bargaining, and potentially a development area expansion, which some people are interested in, which would be an increased cost.

[01:11:55] Things that would be in control that are going to happen regardless, I think salaries, health care costs, and the continued shift toward professionalizing firefighting with decreased volunteerism. Are there other big, non-controlled cost drivers outside of those three that I identified that you think would need to have in my back?

[01:12:20] I will add, I went back to this slide on fiscal year 27 drivers, many of which were the ones you mentioned. It's reasonable to expect that the revenue sharing payment with the city will increase in fiscal year 28 as well as it has been. I think it's one where, in terms of things beyond our control, just watching the changing federal funding landscape, how that may impact the state, something we're being mindful of.

[01:12:41] But also, as you mentioned, the impact of continuing to pick up the expiring FEMA grants, our regional partners, these other items. Those are a lot of the big buckets. Thank you. All right, Supervisor Lepisto currently. Okay, well, I don't think I have as many questions, but you've covered a lot of them for me.

[01:13:02] Do we have any idea when the federal and state funding for our county, when that will be released? FEMA 5? No, just, you know, any federal funding that we receive. I think it's usually 2% a year and state 7% a year.

[01:13:18] That may have gone down, but do we know when we will know how much we're receiving from the federal government, the state government? Yes, I'll share from the state government. We're watching

the state budget process very closely. It's normal to have some variation happen as it works through the process.

[01:13:35] And so that's when it will evolve. And part of that will depend on when the state adopts its budget. It is common for the state to adopt its budget after the board supervisor will adopt its budget. But usually there's enough certainty where we can be pretty close to, say, budget management versus a policy thing we would need to respond to.

[01:13:53] For county government, a lot of our federal funds are reimbursements for direct services provided in administrative funds from the Department of Social Services. So that's one where, barring a major policy disruption, we have some confidence in what those will look like, and we're watching it very closely.

[01:14:11] Now, the other area we have on our mind is any of our special revenue funds where there may be federal funding designated for particular purposes. That's just something we have to monitor on a regular basis because the federal fiscal year doesn't line up to the county's fiscal year. Thank you.

[01:14:26] Okay, going to the high school, I know that this board has asked for the school division to give us more data regarding whether or not how much or when a new high school, if and when a new high school is needed.

[01:14:42] So we're waiting for that data, and I'm assuming that'll come sometime in the next few months, something like that. I'm just, you know. I'm not able to give details on that. Board Member Lapista currently, I do know that in discussions with school staff that they have had ongoing discussions with the Weldon Cooper Center team.

[01:15:04] We also have as recently as yesterday because the board asked, I think in the December 3rd meeting, You said, I want broader discussions at local government with the team at Wilton Cooper so that we can understand growth and demands, specifically across Albemarle County government, as we continue to strategize on service delivery.

[01:15:25] So we're starting those conversations. I know Matt and his team have connected and said, we've had ongoing discussions and we'll continue to. And I think at the joint work session, that might be where they'd be prepared to maybe give more of a timeline or how that's going, that makes sense and I know for the northern feeder pattern school we're now looking at 68 million whereas before originally we were looking at 60 million or a little bit less so that just shows you how prices have changed unfortunately so I I know the comprehensive high school that is being

[01:16:00] asked for by the school division that that would that was 216 I know that my supervisor Pruitt mentioned about 250 million by the year 31 would that be would it be fair to say that could be in the area of 300 million perhaps more I think that's a fuzzy number that any number thrown out would just be a but it would probably be more I mean unless things drastically change there would be an

[01:16:34] increase so I guess my question is if we could go out for a bond referendum you know to the localities how much of an increase in the property taxes would that let's say 300 million or a little less go I think it's something that if the board's interested in we could model if we were looking at if we were looking at increasing our CIP by 250 to 300 million over a period of time equating that to a tax rate increase how that might look mechanically but also to the team could also talk about if there are any unintended consequences of

[01:17:12] taking that additional debt on being the size of organization that we are so that's something that we can take is a take this away and we're going to come back to the point well I was actually referring to a regular bond initiative for the public right the reason I'm hesitant to answer that question is because in taking that debt on, there could be other things to discuss other than just the math formula.

[01:17:42] It's this much of a penny increase to pay for. There could be other things to consider, too, in terms of our debt capacity and our bond rating, if that makes sense. Would you add? Is that in alignment with what you?

[01:17:57] Yeah, it's a two-fold component. We look at the debt funding, so it's going to be the affordability but also the capacity component. So to answer your question, we also have to look at the capacity. And do we have an update regarding what the state is doing with the one-cent increase or allowing us to have a referendum for a one-cent sales tax increase that would go solely to school CID?

[01:18:26] I could ask Emily Kilroy. She's our economic development director, and she spends a good bit of her time in Richmond on legislative issues. Ms. Kilroy could give you the latest that she's gotten specific to the one Senate. Yeah, so the bill is still alive in the General Assembly.

[01:18:42] We're past the crossover midpoint of the General Assembly legislative session. So it seems to continue to have a lot of broad support across the Commonwealth and across the aisles. So there's an expectation that that bill will pass. But it's currently sitting in the Senate. And we should know in a couple weeks as the session wraps towards the mid-barch time frame how that fares.

[01:19:02] and then it's to the governor's desk for final action. So we'll know for certain by April 15th what that bill will do, and then we're already kind of mapping a sequence of a schedule for what it would look like to take that forward should that authority be given to the localities.

[01:19:20] Those are all my questions, right? Thank you. Good presentation, thank you. Thank you. Supervisor Missal? Thank you, Chair, and thank you, staff. I know you all approach this with great care and diligence, and I know that means a great deal of the community. So thanks for all of the huge amount of work that goes into this.

[01:19:39] A lot of my questions really centered around forward thinking. How are we being proactive and how are we not just being reactive and trying to adjust to things that are coming down the pike? So your presentation was really helpful and I'm looking forward to digging into this in more detail and to the work sessions. This is a big learning curve for me, so I appreciated sort of the spoon feeding that we got today as well as the detail that came across.

[01:20:01] I have a couple of questions, and I'm going to try to keep them super high level because I know we'll get into the detail when we do work sessions. One is, as you think about Albemarle County, do you spend time looking at, I'm sure you do, other communities? And think about, where you think about benchmarks as it relates to maybe the percentage of the overall budget allocated to schools or affordable housing or economic development.

[01:20:23] And if so, how do we fare in terms of that, and are there any goals or objectives that you're striving for? Under that heading. I think it's one of the things that local government does pretty well. Because 99% of everything we do is not proprietary in nature. Which means that that under a FOIA request from a neighboring jurisdiction if they visited and they said I want all your documents that support this

type of program that you're doing would be required to give it over but as part of being in the world of local government we openly share with our colleagues best practices as you referred to and I do think

[01:21:02] that we keep a pretty good handle on that through our professional affiliations, our conferences that we attend. For an example, Supervisor Missile, I'm super excited about our upcoming trip to Chapel Hill. It's being sponsored through the chamber because I think that Chapel Hill is a community that has a framework of characteristics that look a lot like this community.

[01:21:25] We have spent time with them already looking at potential for its practices in economic development, not just with the towns and cities alone, but with the university, with the foundation, also affordable housing, and various programs to strengthen their tax base.

[01:21:45] It's not just a town gown, a college town. It's also expensive. They have challenges just like we do. I can't reel off the top of my head something out there that would be a best practice that we lead into today, but I think that we can take Ms. Shiflett in her work with performance in strategic planning, she might come back and give several examples or we can share some information more specific maybe to what you're interested in after today. It's a wonderful question. That would be great. Well, part of it came to mind when you were talking about the percentage of real estate taxes that are residential versus commercial. You know, the 11% versus the striving for 15,

[01:22:24] that all kind of came across as one of those benchmarks that we're looking to do. And I'd be curious also in some other areas that you mentioned as well. I'd like to provide that to you and so I think our team could go back and if we've done that data, we could dust that off and get that in front of the board during your upcoming work sessions to look at something that I think would be meaningful for you to take into account. Thank you.

[01:22:46] Yeah, thank you. So another broader question generally and this kind of addresses contingencies and reserves and you touched on that a little bit throughout this. Is there a big picture view of what the status of our contingencies and reserves are compared to where we would like them to be.

[01:23:04] Are they in excess of where we need them to be? Are they right about where we feel is right? And so, you know, I don't know, any comments on those? I'll turn that over to our CFO to respond to you because when we look to go out and borrow, when we look at working with our rating agencies and such, they give us feedback on that.

[01:23:28] So could you take a minute and talk about that? Sure. So in the board's approved financial policies, we have two main reserves. The first is our unassigned fund balance, which is our 10% reserve. And that's really the core reserves that the financial rating agencies are looking at to ensure we have stability in our finances and ensure that we have continual cash flow to meet our obligations.

[01:23:54] So that's really what we call our, it's not really a rainy day fund, It's a fund that we've described as a hurricane fund once in a lifetime if we needed to tap into that we could. Not intended at all to be used for operations. It's really there to help out with ongoing cash flow needs.

[01:24:11] The other reserve is the budget stabilization reserve that we talked about today. And that has actually given the board's additional flexibility in times like this that was described today. So that reserve has an intention to be used at particular times, but also with a commitment to replenish that reserve once we come out of those more challenging issues that we're trying to address.

[01:24:35] So from that perspective, those are really two strong financial policies that agencies look at and provides a lot of fiscal stability and financial support for the county in that respect. Got it. Thank you. Just a couple more quick questions.

[01:24:52] One is partner agencies, right? So \$68, \$40.7 million of funding, if I got those numbers right. So your initial comment was there are more issues and opportunities than we have money for. How do you, as you think about this budget, this hopefully is a big picture question, how do you assess need from each of those agencies and needs and priorities?

[01:25:19] And does that, I mean, I assume that shifts year by year. is that just from like advocacy from each of the agencies is it you've made promises in past years to increase certain funds in certain areas and so you're fulfilling those promises how does thinking go behind prioritizing that can i turn it over to andy and caitlin and the team because you spend a lot of time leading into the budget learning what the challenges are what the what they're what they're facing what their obligations are so could you talk about it sure i'll say in Work session number two, we're going to go through some more details, so I'm going to try to keep you to high level with this.

[01:25:54] But we have a few processes created by the Board of Supervisors, really, with the intent to receive requests, they can all be evaluated at the same time in the budget process. And so we have, for those who are human services oriented, and I'll say the Board approves the framework as well, mid-summer.

[01:26:10] So two of our Board members were not seated last year, they obviously did not approve that. But it shaped this budget, where in partnership with our human services staff, we will evaluate, what are those agencies that can have the services and have the performance that will move the needle most on the board's strategic goal around safety and wellness.

[01:26:27] There is a partnership bucket we would have of our volunteer fire rescue system, the support that is provided to them, not for the supplemental staffing, but the day-to-day costs that is provided to those stations. There are some smaller arts and cultural festivals who are funded, and we also have, as among those, really a lot of the largest ones, There are the Regional Library Board, the Regional Jail Board, and we have members who serve on that board or CFOs who serve on the job board, as an example.

[01:26:55] Many of the other colleagues down this line. And so there's involvement in that, the budget committees, they're part of their audit committees that goes throughout the year. And it's also the partnership that we have with the city of Charlottesville working through that management. Got it. Thank you.

[01:27:13] And then last question, AstraZeneca. You know, we've been talking about that a lot. I guess when you think about impacts to transportation, housing, infrastructure in this community, 600 jobs plus 3,000 construction workers, et cetera, et cetera, did the budget, we don't have to get into detail, but big picture, did the budget consider some of the ripple effects of that coming to the area in the next three years or so, and has it accommodated that in various areas?

[01:27:45] I think that I gather from the board in the discussions that we had in December that that's really some of the engagement work with the Weldon Cooper Center, knowing that probably in the next three to five years we're going to feel the effect of the build-out, the opening of those buildings, also the

additional suppliers that could be here, the workforce that it's going to take to put the buildings in the ground and open them up.

[01:28:14] So we'll be engaging. I think you were at the State of the Community last Friday, and the Welding Cooper Center speaker said, AstraZeneca was a godsend. I'm quoting it, and he said, and we need another one. But at the same time, I think this board wants there to be staff dialogue about what else is there to consider with landing in the industry of this size, and I think that we can have dedicated discussion with them to look at some of the analysis associated with what you're talking about.

[01:28:44] The short answer is, and Jacob can correct me or Andy or Kaitlyn, I can't think of anything specifically as it relates to the planning for growth that we did specifically in the budget. And I'm leaning to my left and not seeing anybody leaning in. Great. Thank you.

[01:29:01] Thank you. Supervisor Duncan. Yeah, thank you for this. And this is a huge budget and it is so well organized and easy to sort of find things. So I really appreciate some of that work. Kind of my first, I guess, biggest question is with the schools, it says the total of public schools is 51.8%.

[01:29:20] Is there a history of that percentage, and does it change every year, or I guess kind of is that a standard? I'll say we can provide that. I will say it is normal for that to change year to year because that 51.8 is reflecting all dollars in the budget.

[01:29:37] And so where their operations may be a little more steady, debt service continues to be steady over time. When you build capital projects, can really shift things. And so we can provide that data going back a few years for how that's evolved. That would be great. Thank you. And I guess actually sort of a sort of related question.

[01:29:55] On the debt service page, you have like the chart on page 281 with like the red line at 10%. Is it okay to get to that 10% or do you have a preferable percentage that you try not to go above?

[01:30:13] I would say that past boards have taken the approach that it would be unwise to plan to the 10% maximum because if you are at the maximum and you have an economic downturn, all of a sudden you're above your policy. Also, if you give yourself headroom, if a really once-in-a-lifetime opportunity comes along, it gives you the flexibility to accomplish that.

[01:30:35] And so there is not a hard and fast number in the board's policies of what number under 10. It's more of a judgment call in all of the things in the CIP and the budget. This might be sort of a work session question. I'm not sure. But is it possible to get, like, detailed reports on some of the sort of bigger partner agencies?

[01:30:57] Like, personally, I'd be super interested in, like, MicroCat and kind of, like, you know, the details of what that funding goes to and, you know, who's accessing the services and that sort of thing. Yes, we can follow up with that. Knowing there's 68, microcats is a good example.

[01:31:13] If there are other ones specifically, if the board is interested, we can work with those agencies to prepare that. And then I guess just my last question is the three new police officers. Is this from the dedicated tax last year, or is this three new?

[01:31:30] Three new positions separate from the work that we did last year and in last year's budget. It's a really good question because those positions were budgeted to come on mid-year, and these three

positions are also, but you need to come on in here. I'm going to look at Trevor and make sure that I didn't misspeak.

[01:31:46] Okay. All right, thank you. Questions-wise, this is probably not going to happen at this point. This is similar to workforce optimization, kind of tracking over time.

[01:32:04] But as we add the police officers and the firefighters, you know, we did six police officers last year, three recommended today, then how does that impact the current call for service number as we go over?

[01:32:19] As we add those positions, how are we doing on that? Based off of the report that we received this past fall. This is a clarifying question. I think when we were looking at the year-over-year fund increase to the school operation, Since fiscal year 17, I believe, was on the chart.

[01:32:45] Did I hear you right to say that on average over that from 17, it was \$5.5 million per year? I heard \$5.5 million. I heard average. Yes, this is the actual dollars. If you look at that time frame from fiscal year 17 to fiscal year 28, one going dollars, so take out a one-time transfer, use the fund balance, that average would be 5.8%.

[01:33:05] Then the 8% increase to the health care fund, what's the dollar amount associated?

[01:33:23] on that? We'll have that off of my head, but we'll have that in the first work session when we speak to that. Thank you. And then I did another clarifying. So it popped into my head on slide 35. Total all that, that's what, \$38 million? Is that all in the community services?

[01:33:48] I'm asking this based on how it presents in the budget document. So when you look at just the community services that we fund, that's not \$38 million dollars I know that so these things show up in other places but I want to understand that that the 38 million that's represented here is what is not specific to us that is going out to partner agencies yeah these are really the way I think about it they are not under the direct supervision of the board of supervisors of the county executive now the board may have appointees to that board but it's different than a department of the board

[01:34:23] or the county great thank you that's helpful for today i think from a process standpoint turning to my colleagues as you go through the budget book if you have questions the process has always been to email andy as the point person it would probably i would recommend strongly that you copy at least the county executive and even jacob if you forget to copy the board of supervisors with your questions they are pretty good at replying back to the whole board but then all of those questions and answers as Andy said stated earlier will be posted online so those do get tracked even though

[01:35:02] they might not necessarily be happening in our meetings but it's a good question also just kind of as a reminder for those who've been here but for our newest members there are sometimes our budget items that come up that would benefit from further board discussion or dialogue we tend to refer to it as our parking lot.

[01:35:22] So if you have things that come up that seem like, well, we're probably not going to get it back in the work session, but it's something that's important. It's not that one supervisor can drive the parking lot, there usually needs to be some consensus, but just be ready that if you want to think of parking lot items, that that's how we'll handle that.

[01:35:42] And we do purposefully load some work sessions that are not topic specific to see how the budget goes to give us the flexibility to deal with those type of things with the budget calendar there. Just double-check.

[01:35:58] Before I make some final remarks that I want to make relative to budget, just let me look to my left and right. Any additional questions? Very quick. This is more of a request than anything else. I will normally present the budget separately to Scottsville Town Council and my partner in government.

[01:36:17] In the past, I've just done it off a notebook. I would probably be better served by presenting the budget to them. And I'm curious if I could ask for something. Can I get a slide that is specific to Scottsville added in here? In the same way that we're normally presenting on shifts in the budget.

[01:36:36] Just a quick slide in the same style guide that highlights the levy funding and any shifts to Scottsville's specific priorities. I'm thinking the professionalizing of the fire station down there and new FTEs added in that capacity. There's other things that I'm missing.

[01:36:53] Sir, you can put something together. I'm also looking to Mr. Richardson to make sure that is a request I can make. I'm asking your staff for their time. I think our pause on it was just making sure, what's your timing of that?

[01:37:09] I'd like to be able to present it at either the first or second town council meeting next month. Okay, we'll work on that and follow up. Thank you. Any other questions? I'd just like to make a couple of comments into what I heard for clarifying purposes.

[01:37:28] I kind of, boy, I love a metaphor, and the walking into the pool metaphor was a good one, so I'm complimenting Supervisor Pruitt. But I think what we don't want to do is run out on the diving board, slip the ball, hit the diving board, fly up in the air, look goofy, and then slam into the water. So with the CIP piece, we know that one year fix, regardless if it's a high school or whatever, We're going to have CIP challenges on both sides of the aisle or sides of the piece when we think school is a multiple government.

[01:37:57] And it's going to take multiple years of strategy to get at that. So I think the December numbers that were thrown out there were more theoretical, whereas now we're in an actual budget maybe following the strategy. We're going to start getting into specific numbers and what can we do given the current reality versus what we do in year two, three, four as we go over.

[01:38:20] I also want to clarify that the data that came out of the joint meeting with the school board in December is not about a high school. The data is not even just about CIP. What I heard that day was it quickly became, you know what, we could do better with data, period, for all discussions.

[01:38:39] So, of course, it would inform CIP decisions, but it also could inform things like where does dollars go in a community agency review? you? What are you putting into an affordable housing investment fund and what does the data speak to that? Hamilton Lombard definitely in his state of the community comments shows that the level of data analysis that can exist out there can really help inform public policy decision and dollar programming. So let's make sure that as I hear, if we keep talking about this Weldon Cooper Center just as it relates to the high school, I think we're

[01:39:15] doing, we're miscommunicating to the public what we want from that. And I think it's just time in Albemarle that we've outgrown the data that we've done in the past for decisions and it's time to get better and to take the steps to do that. I would like to make a couple comments relative as we get into the

budget season. I think that we all recognize that dissent and disagreement is the normal process and part of a decision making, or at least a strong decision making process. So we are going to have dissent, disagreement amongst ourselves. We're going to have it with our school board

[01:39:54] and our other elected offices like our commonwealth attorney and our sheriff's office. We're probably going to have it with advocacy groups and the public, etc. as we go through budget town halls. That's normal. That's what's to be expected and that's how we arrive at good decisions, right? So I feel, and I've been doing a lot of reflection on this out of my own with the next statement the while that is part of the process our tone and our tactics is kind of the integrity check of each individual each board each advocacy group and the public frankly as we go through it so I'm just throwing that out as

[01:40:34] something myself that I'm going to keep under my hat because I know sometimes my tone and tactics can get a little interesting but I'm going to be mindful and try to keep stay true to that this year, and I just call on all involved that we can perhaps do the same so that we can show to the public that we can, in Albemarle County, disagree, dissent on things, but through proper education and information that we all understand each other's budgets and how we do and what our financial policies are, that we can rise to that, show how to have dissent and disagreement in a way that empowers folks to go, they're doing things pretty good there

[01:41:10] when it comes from a planning perspective in Albemarle, all involved. So I hope everybody would join in that sentiment as we move forward. And I recognize that from the public standpoint, no matter what we do, no matter what the context is, there is going to be a certain segment of the population that always says you're taxing too much and spending too much.

[01:41:32] There's always going to be a certain segment of the population that says, you know what, you're not taxing enough and you're not spending enough. Most of the folks fall in between those two bookends. And it's about, wow, their preference might be, I mean, does anybody really want to see their tax bill go up?

[01:41:51] But I think a lot of times they go, why is it going up? Can you explain that to me? And if you're not going to give me relief, what's it going to? Can you explain that to me? And then they can make a decision on whether or not they agree or disagree with us. And I know that that's the work that we're going to do through budget town halls or public hearings and all of the meetings that we do to explain to folks, here's the reality of what's happening with a tax bill.

[01:42:15] And here's the reality of how we're going to treat it. And we hope that everybody, if we do our job, you all will be informed as at least to how, at the end of the day, this board and the six supervisors decide what to do with the coming budget. So, Jeff, I appreciate the presentation today.

[01:42:33] I appreciate all the staff. Caitlin, I noticed you were writing pretty diligently throughout the meeting, capturing all the things there. So thank you for that. Board, do we have any other matters for committee reports or matters not listed on the agenda? Looking to my left and right.

[01:42:51] Supervisor Malek and I did just return last evening from D.C. at the NACO Legislative Conference, and we did get to spend time with Congressman McGuire and the senior staff of both Cain and Warner, Senators Cain and Warner. So I know we'll be preparing not just the summary updates that Trevor and Emily were with us for that, But also what we learned over the weekend is we did our work on our committees at NACO.

[01:43:16] So that will be coming in a future board meeting. Mr. County Executive, any other items from you? I'll look to the budget staff first and foremost. Anything that we didn't cover that you folks thought that we needed to? Okay. Are we good? Okay, sir, we're fine.

[01:43:31] Great. I usually at the beginning like to thank our officers that are able to join us and be with us today. Officer Joshua Cox and Master Police Officer Dana Reeves are here with us to make sure that we remain safe. So thank you both, and my apologies for not doing that at the beginning, but thank you so much for being here with us today.

[01:43:50] And with that, board, we will adjourn to March 4th, 2026, 1 p.m. in Maine Auditorium.



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