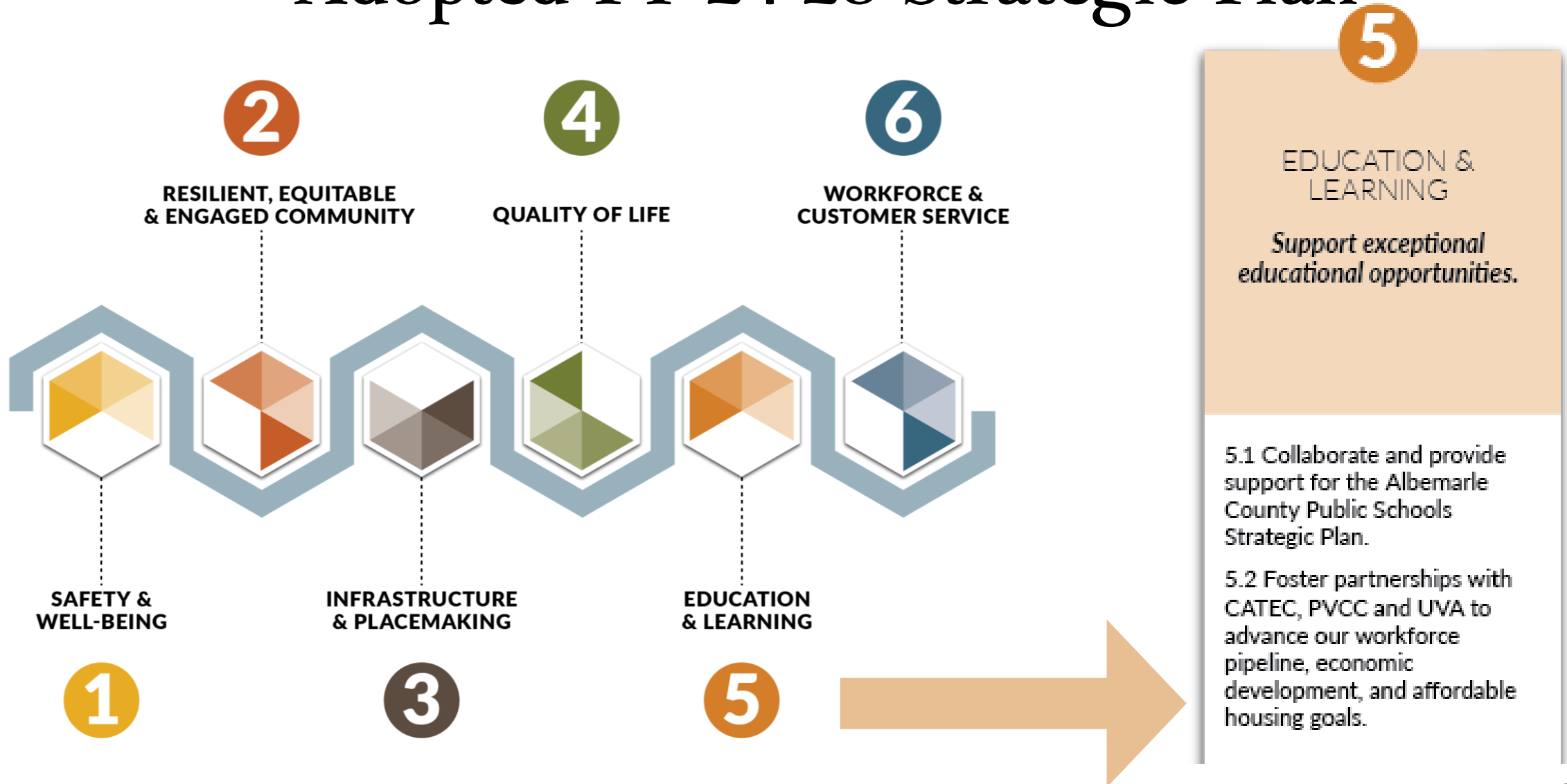


Five-Year Financial Plan Joint Work Session

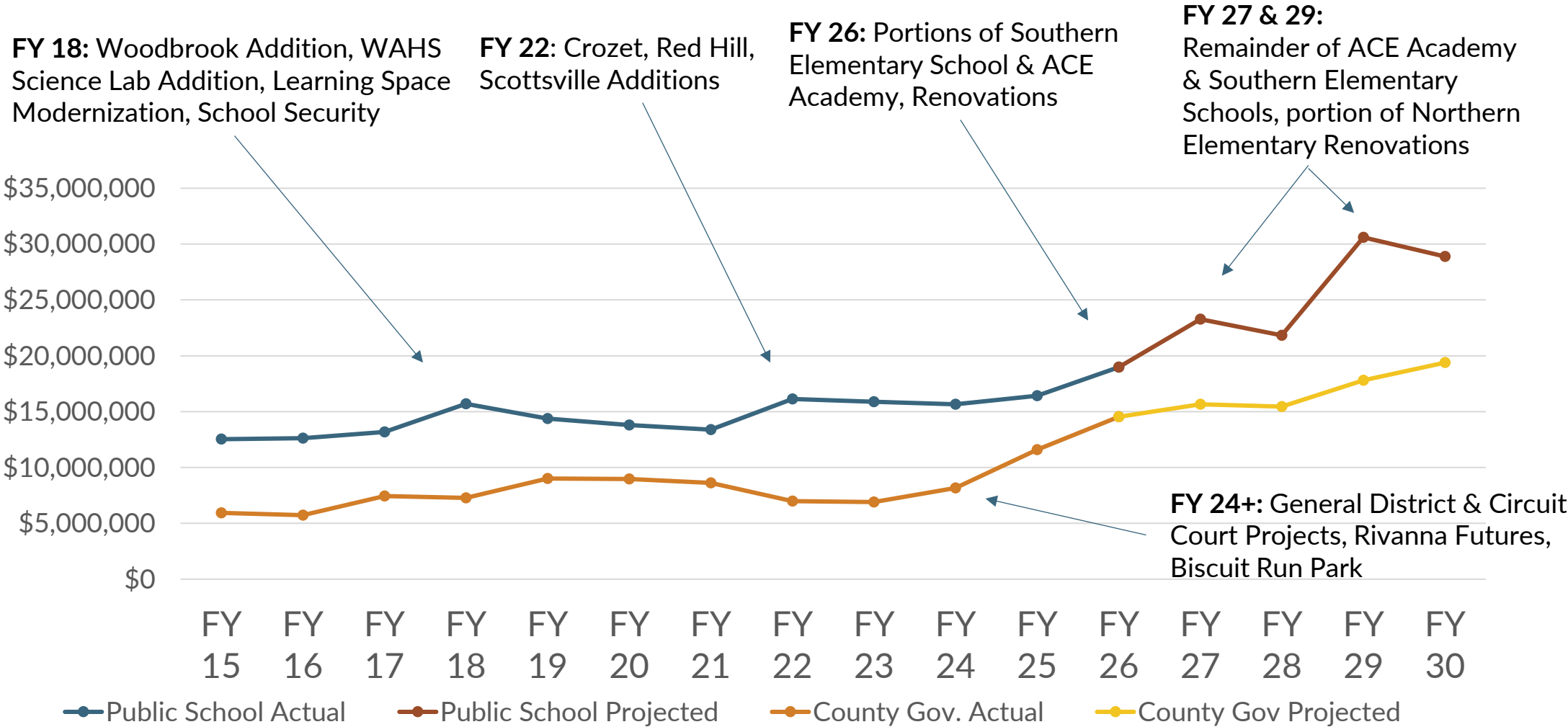
Board of Supervisors &
School Board

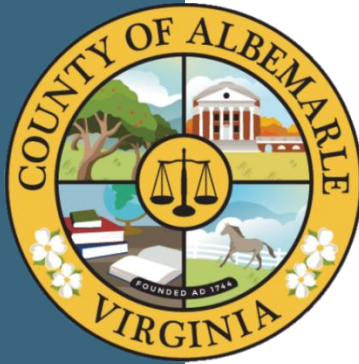
December 3, 2025

Adopted FY 24-28 Strategic Plan



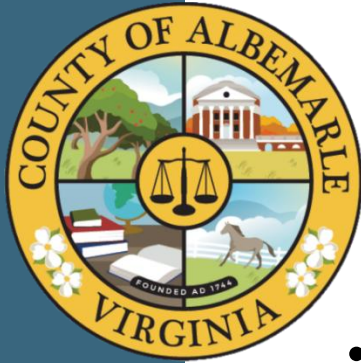
County Government & Public Schools Debt Service





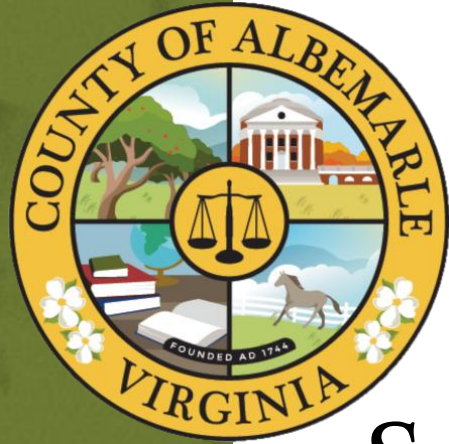
Timeline

Aug 20	Approval of FY 27 Budget Calendar Strategic Plan Execution and Reporting (SPEAR) Report
Aug 14, Sept 11	High School Facilities Planning presentations to School Board
Oct 15	Economic Outlook Report & Public Safety Studies
Oct 23	School Board Work Session & Long-Range Planning Advisory Committee Recommendations
Nov 13	School Board approval of CIP request
Nov 19	Five-Year Financial Plan work session
Dec 3	Five-Year Financial Plan work session, with School Board
Feb 12	Superintendent presents draft funding request
Feb 25	County Executive's Recommended Budget Presented
Mar 12	School Board approves Funding Request
Mar 16	FY 27 Budget Work Session, School Board presents Funding Request
Apr 22	Board Approves and appropriates FY 27 Budget, sets tax rates
Apr 23	School Board adopts FY 27 Budget

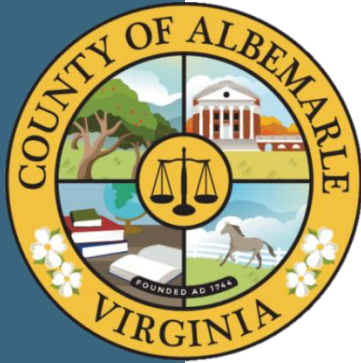


Desired Outcomes & *Agenda*

- Understanding of current financial landscape & Adopted CIP
 - *Summary: Nov. 19 Board of Supervisors Five-Year Financial Plan*
 - *Review of Appropriated Capital Budget & Adopted CIP*
- Understanding of School Board capital request
 - *Public Schools' Capital Five-Year Request*
 - *Boards' Discussion*
- Break, if Boards desire
- Discussion of strategies & next steps from today
 - *Boards' Discussion*



Summary:
Board of Supervisors
Five-Year Financial Plan
Work Session
November 19, 2025



Recap: Nov. 19 Board of Supervisors Work Session

Introduction:

Long-range Financial Planning

Part of County's adopted Financial Management Policies

Consideration for:

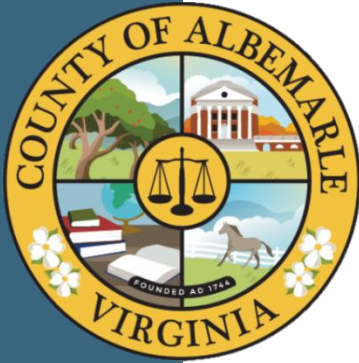
- Impacts of both the operating and capital budgets
- Long-term strategy or policy discussions to shape the future

Not only about dollars

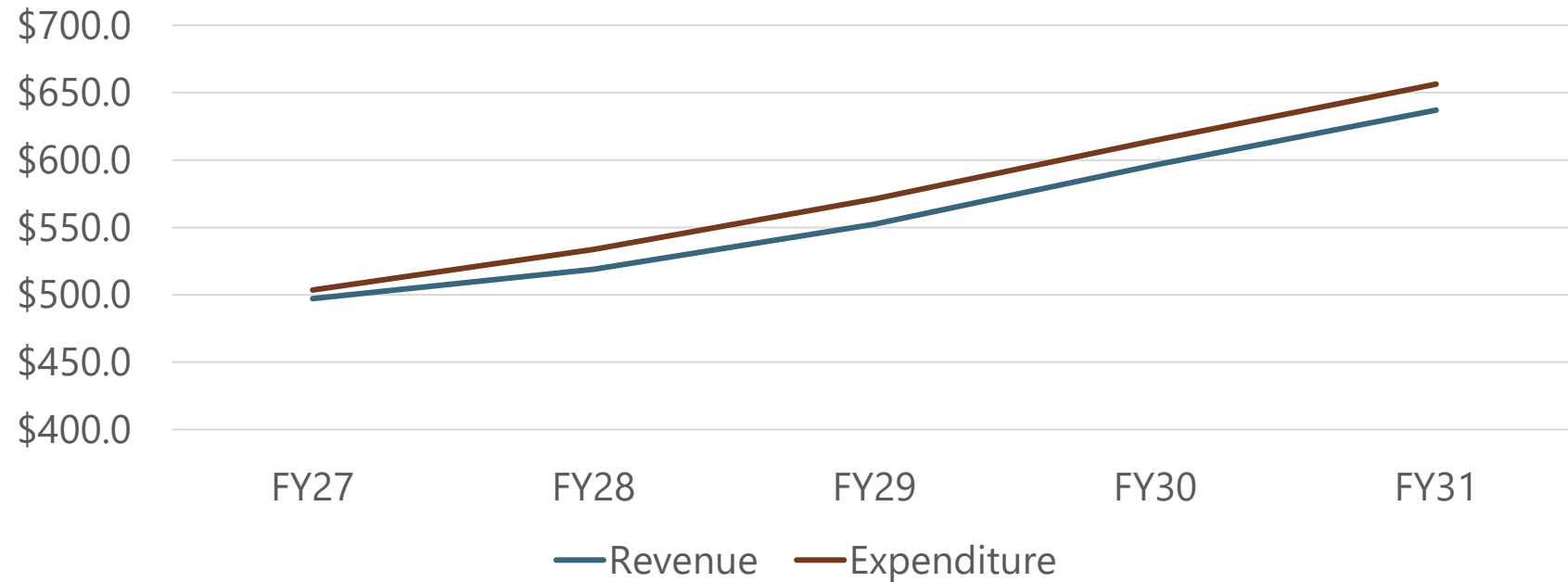
- Results of funding provided and/or policy levers utilized to date
- Future potential policy discussions

Framework for annual budget development processes

Assumptions based on best information available *as of today*

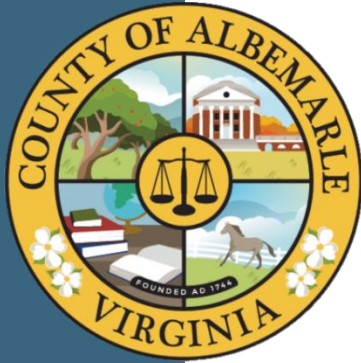


Recap: Nov. 19 Board of Supervisors Work Session Five-Year Revenues & Expenditures



% Gap	FY27	FY28	FY29	FY30	FY31
	-1.3%	-2.8%	-3.4%	-3.0%	-3.0%

Provides funding to Capital & Debt and School operations based on allocation of local tax revenue formula



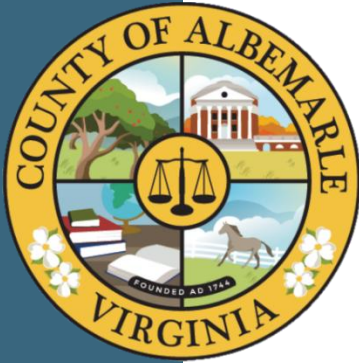
Recap: Nov. 19 Board of Supervisors Work Session

Comparing Five-Year Plans

Annual % Gap	FY27	FY28	FY29	FY30
FY26-FY30 Plan	-5.2%	-7.1%	-8.3%	-9.0%
FY27-FY31 Plan	-1.3%	-2.8%	-3.4%	-3.0%

What has most significantly changed?

- FY 26 tax rate increases
- Changing tax base & economic outlook in out years



Recap: Nov. 19 Board of Supervisors Work Session

Five-Year Plan Summary

1. Different trend than past

2. Two-periods within the 5 years:

Shorter-term in FY 27 - 28

- Evolving revenue outlook & shifting landscape
- Significant expenditure obligations

Longer-term in FY 29 - 31

- Strategies & changing tax base
- Obligations & more robustly advancing SP Goals

Recap: Nov. 19 Board of Supervisors Work Session

Revenues: Where is the County now?

10-Year Analysis: Tax Base Breakdown

Assessment Categories %	2015	2025
Residential	61.4%	68.4%
Multifamily	3.9%	5.2%
Commercial & Industrial	15.0%	11.3%
Agricultural	19.7%	15.1%
Total	100.0%	100.0%

Recap: Nov. 19 Board of Supervisors Work Session

Cost of Community Services Study

Expenditures (cost) to provide services



Recap: Nov. 19 Board of Supervisors Work Session

Revenues: Where might the County be going?

Economic Development Strategic Plan



GOAL 1

Lead in Intelligence & National Security

We will lead Virginia's intelligence and national security innovation economy.

GOAL 2

Discover in Life Sciences

We will grow into the Mid-Atlantic's premier destination for biotechnology and life sciences innovation.

GOAL 3

Grow a Modern Agribusiness Economy

We will transform Albemarle's agricultural legacy into a modern agribusiness economy.

GOAL 4

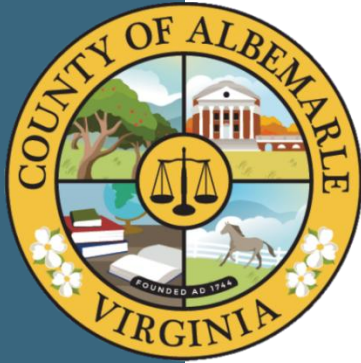
Empower Talent

We will make Albemarle the place where talent and entrepreneurs stay, scale, and succeed.

GOAL 5

Compete for Investment

We will position Albemarle as Virginia's most investment-ready county — ready to compete, build, and lead.

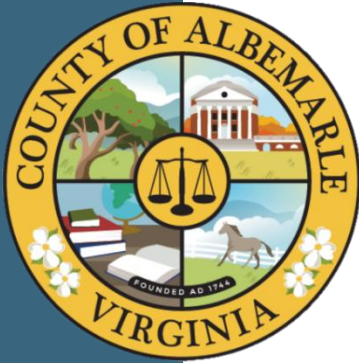


Recap: Nov. 19 Board of Supervisors Work Session

Revenues: Where might the County be going?

October 15 Economic Outlook Report

- U.S. Economy
 - Slower, with modest growth and continued uncertainty ahead
- Virginia's Economy
 - Cooled faster than the nation's economy in First Half of 2025
- Albemarle's Economy
 - Solid economic base, generally follows state & national trends
 - Albemarle County's prudent management provides scope to plan and act proactively



Recap: Nov. 19 Board of Supervisors Work Session

Five-Year Plan Summary

1. Different trend than past

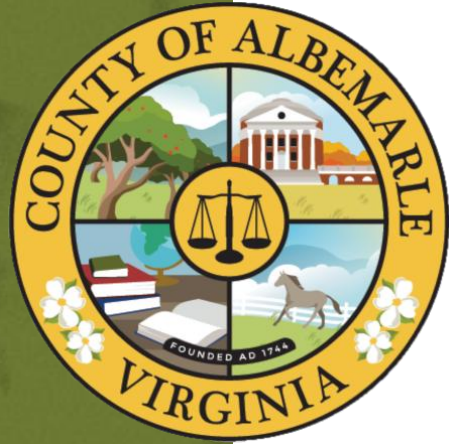
2. Two-periods within the 5 years:

Shorter-term in FY 27 - 28

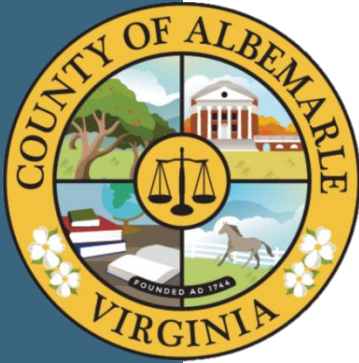
- Evolving revenue outlook & shifting landscape
- Significant expenditure obligations

Longer-term in FY 29 - 31

- Strategies & changing tax base
- Obligations & more robustly advancing SP Goals



Review of Appropriated Capital Budget & Adopted CIP



Introduction to CIP

Capital Budget: Appropriated, first year

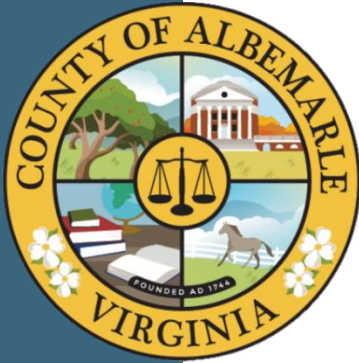
- Includes projects re-appropriated from prior years

CIP

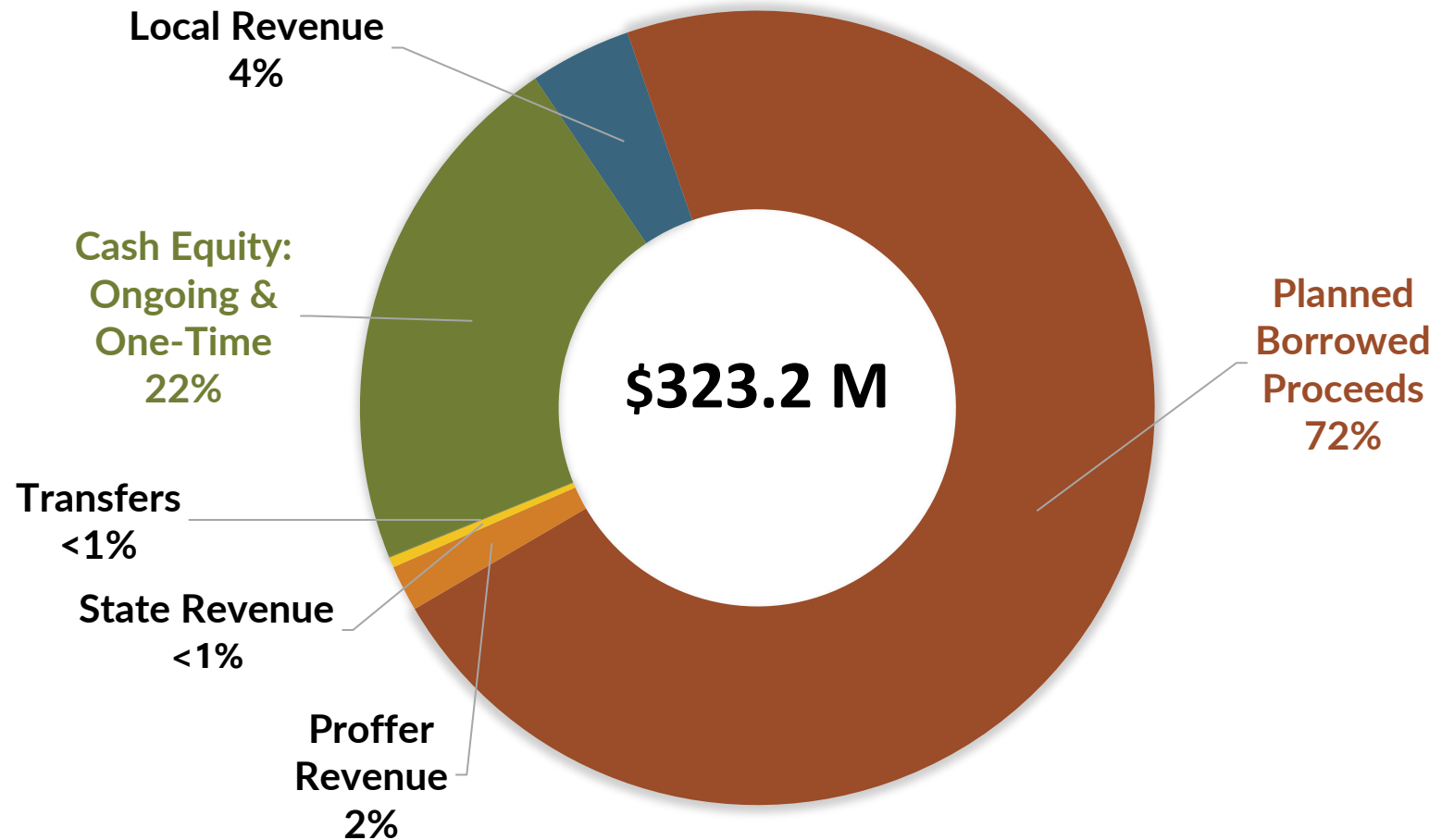
- Years 2-5
- Adopted Plan for years FY 27 – 30 becomes the starting point for the next update
 - New projects tend to enter the plan in the later years

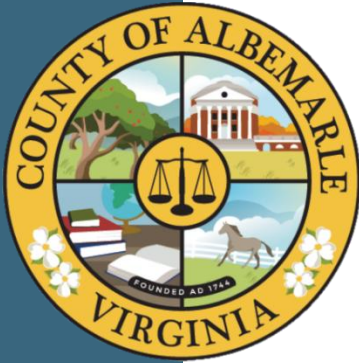
Planning for multi-year impacts in General and School Funds:

- Day-to-day costs of capital projects (e.g. personnel and related operations)
- Annual debt service payments
- Implementation of projects



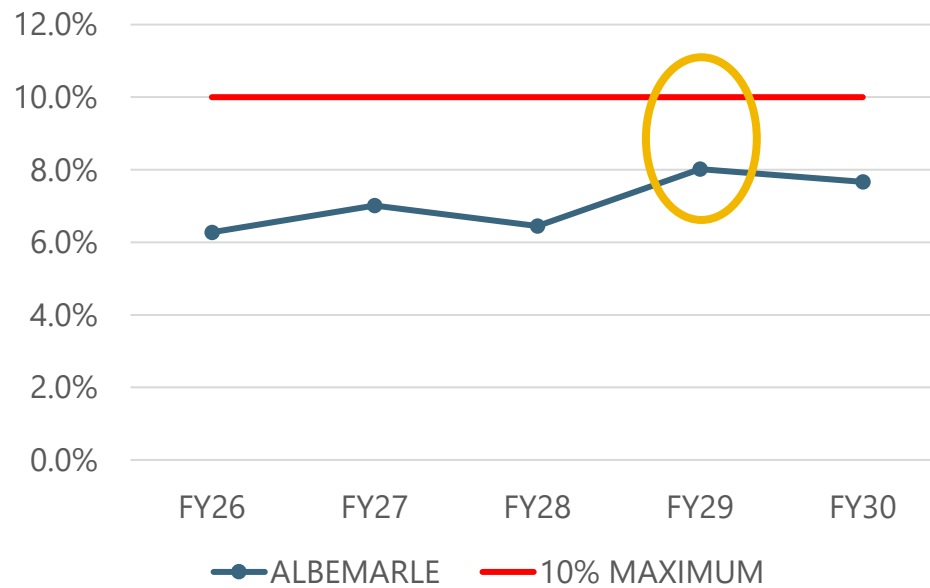
Adopted FY 26 – 30 CIP Revenues



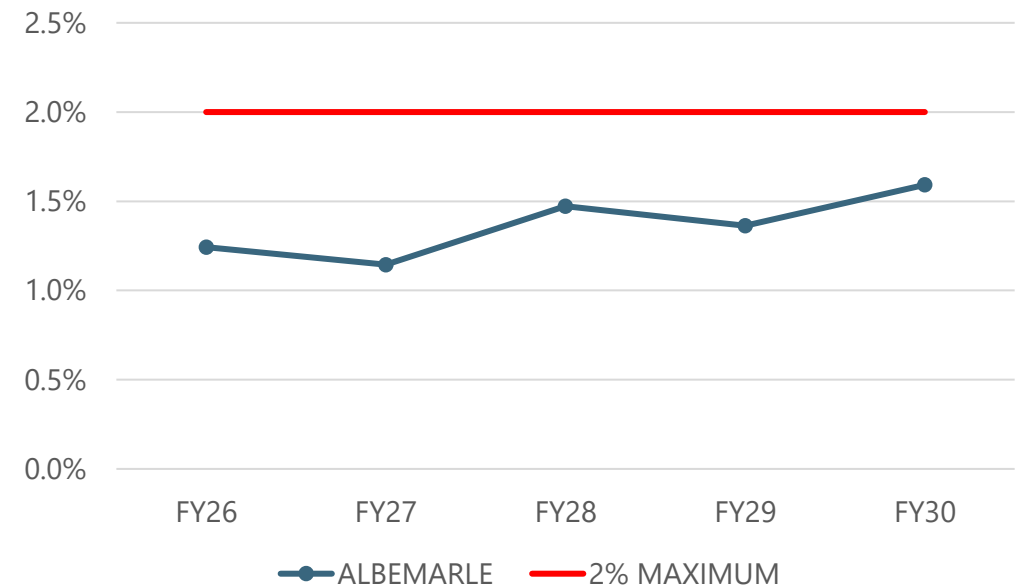


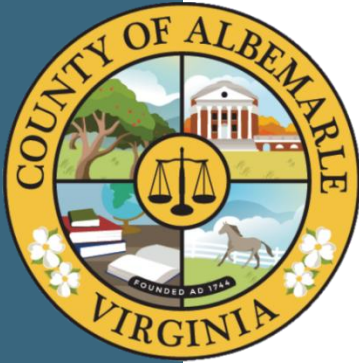
Financial Management Policies: Debt

Debt Service as Percentage of General Fund and School Fund Revenues



Outstanding Debt as a Percentage of Assessed Value of Taxable Property





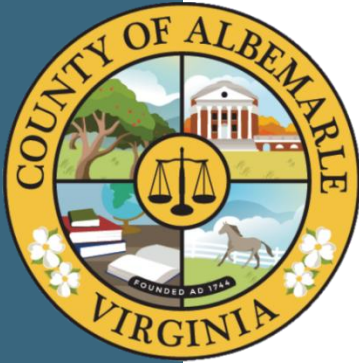
Debt Capacity: A Key Component of Bond Ratings

Albemarle's AAA/AAA/Aaa Bond Rating

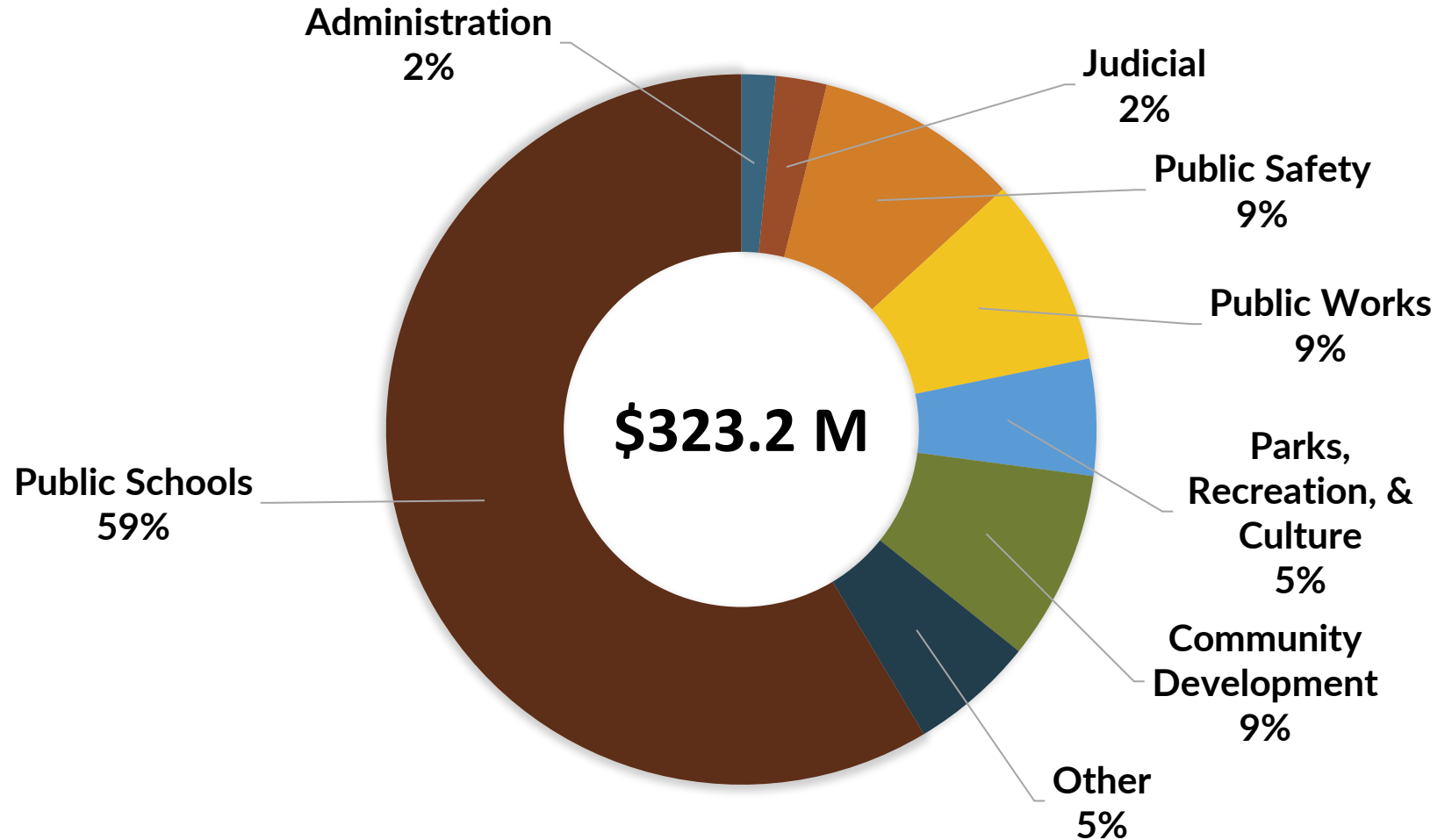
- 2 ratings attained in 2003, 3rd attained in 2013
- 54 of 3,000+ counties in United States as of Oct 2025
- 13 of the 54 are in Virginia

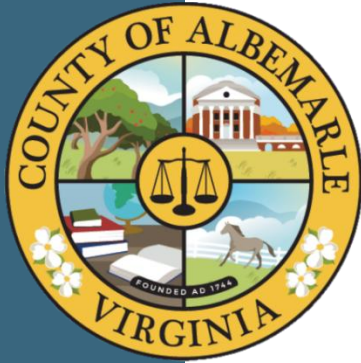
Benefits of Bond Rating

- Future flexibility: Operating & Capital Budgets
- Best possible rates relative to the market
 - Translates to lower debt service payments
- Access to borrowing when needed



Adopted FY 26 – 30 CIP Expenditures

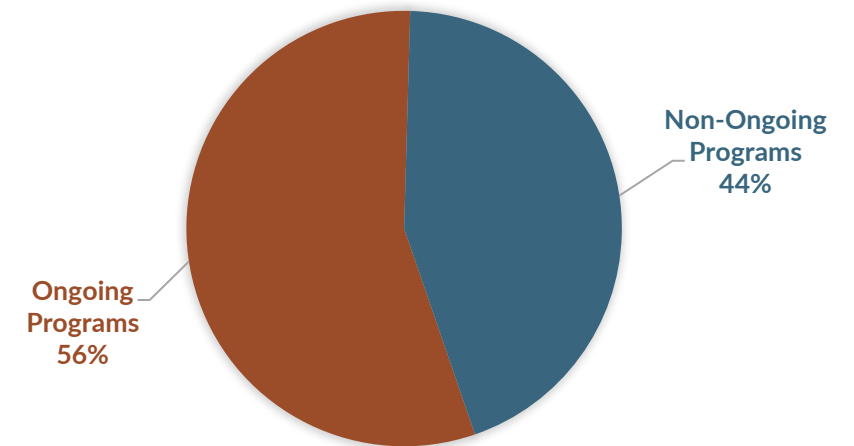


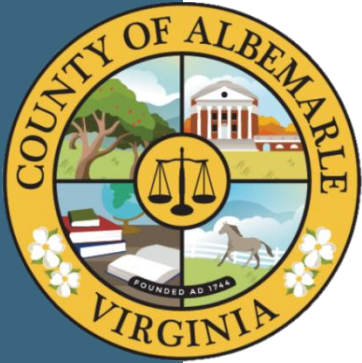


Ongoing Programs for the CIP & Financial Management Policies

- County Government Owned Facilities and Parks
- Co-Owned Facilities and Parks
- County Server Infrastructure Upgrade
- Fire Rescue Apparatus Replacement Program
- Ivy Landfill Remediation
- Moore's Creek Debt Service
- Project Management & Administrative Services
- Regional Firearms Training Center Contribution
- School Bus Replacement Program
- School Facilities
- School Technology Replacement Program

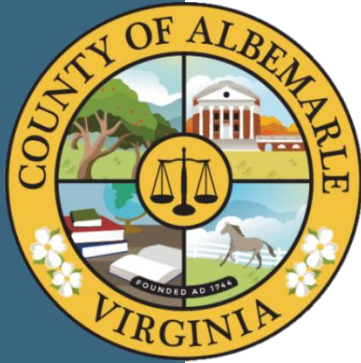
FY 26 ADOPTED CIP





Strategic Plan Goals & Next Steps





FY 26 Appropriated Public School Projects, Beyond Ongoing Programs Total = \$88.9M

5

EDUCATION & LEARNING

*Support exceptional
educational opportunities.*

**Systemwide
Renovations**

\$7.1M

**Completing
Mountain View
Expansion**

\$2.1M

**Southern
Elementary
School:
Mountainview
Upper
Elementary**

\$40.3M

**High School
Center 2:
ACE Academy
at Lambs Lane**

\$39.3 M

FY 26 Appropriated County Government Projects, beyond Ongoing Programs, total appropriated, \$101.8 M

1

SAFETY & WELL-BEING

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

3

INFRASTRUCTURE & PLACEMAKING

4

QUALITY OF LIFE

5

EDUCATION & LEARNING

6

WORKFORCE & CUSTOMER SERVICE

Transportation

Northern Convenience Center: Design

Rivanna Futures: Debt Service

Community Non-Profit Projects

Biscuit Run

Darden Towe Athletic Fields

Urban Pocket Park

Woolen Mills ADA Trailhead

Core Systems Modernization

Workplace – Facility Renovations

Courts Construction

Station 11 (Monticello) Renovations

1

SAFETY & WELL-BEING

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

3

INFRASTRUCTURE & PLACEMAKING

4

QUALITY OF LIFE

5

EDUCATION & LEARNING

6

WORKFORCE & CUSTOMER SERVICE

Adopted FY 27 – 30 CIP: Highlights beyond ongoing programs Total planned = \$123.8 M

Transportation
FY 27, FY29

Northern
Convenience
Center:
Construction
FY 27

Rivanna
Futures:
Debt Service
FY 27 - 30

Central
Library
Renovations
FY 27, FY 29

Darden Towe
Athletic
Fields
FY 27

Workplace –
Facility
Renovations
FY 27

School
Renovations
FY 27 - 30

Northern
Feeder Pattern
Elementary
School
FY 27, FY 28

FY 27 – 31: Potential Future County Government Projects and Adjustments

1

SAFETY & WELL-BEING

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

3

INFRASTRUCTURE & PLACEMAKING

4

QUALITY OF LIFE

5

EDUCATION & LEARNING

6

WORKFORCE & CUSTOMER SERVICE

Courts
Construction

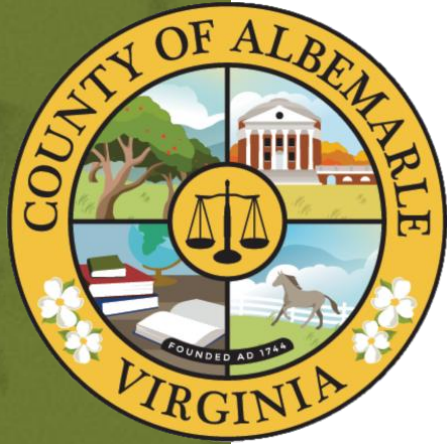
Fire Rescue
Apparatus &
Equipment
Replacement

Emergency
Communications
Center (ECC)
Facility

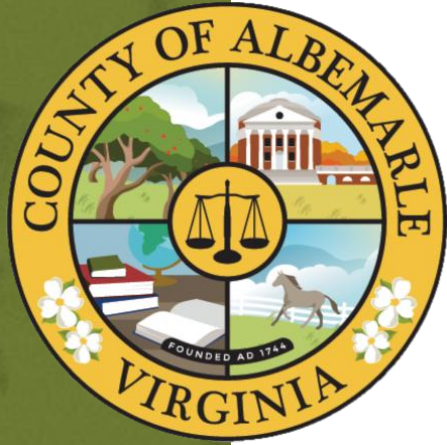
Community
Non-Profit
Projects

Transport-
ation

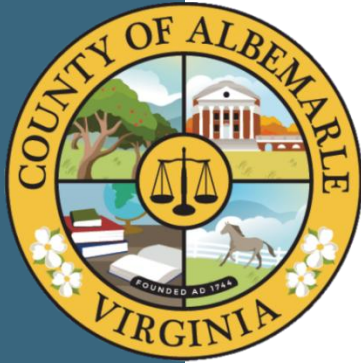
Rivanna
Futures:
Debt Service



Public Schools Presentation

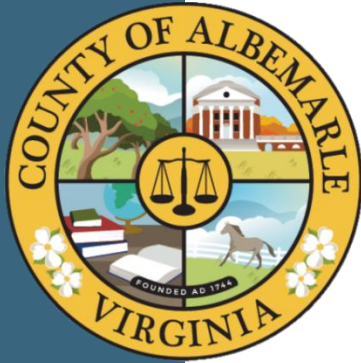


Discussion of Strategies & Next Steps from Today



Next Steps: Capital Improvement Plan (CIP)

1. Starting point is the balanced FY 26 – 30 Adopted CIP
2. Staff updating financial assumptions
3. December 3 Joint Board Meeting
4. February 25: County Executive's Recommended Budget & CIP
 - To extent possible, include new projects guided by Strategic Plan for Board of Supervisors consideration
 - New projects tend to enter the plan in the later years
5. March – April: FY 27 annual budget & FY 27-31 CIP meetings



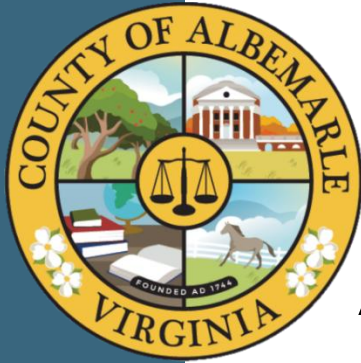
How might a high school or other priority capital projects be funded?

FY 26 – 30 Adopted CIP has \$72 M debt capacity using 9% of 10% policy

- Debt capacity amount will be updated in FY 27 – 31 CIP

The challenge:

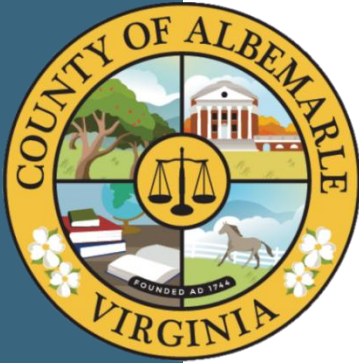
- Current debt capacity cannot be utilized due to affordability
- Future debt needs for a major project would exceed the policy
 - For example, a \$232 million high school, funded conventionally would be \$221 million in bonds, or \$149 million beyond capacity at 9% of the 10% policy
- Other considerations
 - What is the impact to future flexibility?
 - How are related operating costs planned for?
 - What is the County's ability to execute?



How might a high school or other priority capital projects be funded?

A. Legislative Priorities

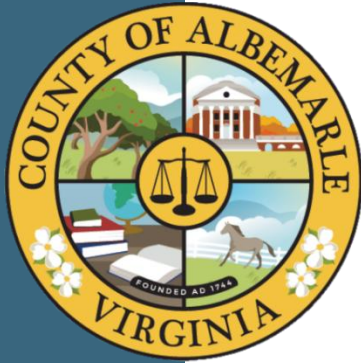
- 1% sales tax referendum is critical
 - FY 26 would be \$26 million annually
 - For perspective, equivalent to 8.3 cents on the real estate tax rate
- Current debt capacity cannot support \$200 million+ in bonds, *however*, the County could build revenue over multiple years rather spend revenue in full annually
- If, subject to the final language of the bill:
 - Approved by the General Assembly and Governor in 2026
 - Approved by local referendum in November 2026
 - Collections began July 1, 2027 (FY 28)
 - Balance was unspent in FY 28-31 to save for a major project in FY 32
 - End of FY 31 projected available funding: Approximately \$115 million



How might a high school or other priority capital projects be funded?

B. Reprioritization of future revenue growth

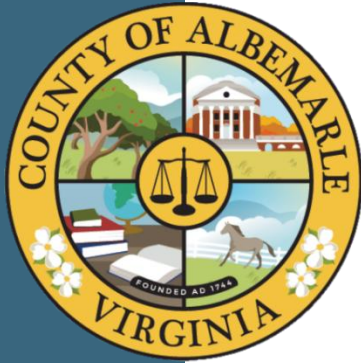
- Generally, the annual change in Shared Revenues are allocated:
 - 54% for Public School operations
 - 36% for County Government operations
 - 10% for joint debt service and capital projects
- Public Schools could consider reprioritizing some of the 54% of future revenue growth from Operations to Capital & Debt
 - For example:
 - Change 54% for School Operations to 44% for operations & +10% capital & debt = \$1.9 million impact
 - Weighing Operating & Capital Priorities
 - \$1.9 million in debt service, annually for 20 years = \$23 M in projects
 - \$1.9 million would be about 0.9% less growth in the local transfer for School Operations



How might a high school or other priority capital projects be funded?

B. Reprioritization of future revenue growth (continued)

- Board of Supervisors could consider different allocation of revenue growth in future years
 - Note: Current policies approved as of November 2025
- Both Boards: Direct available one-time funding to CIP to increase cash funding and/or pay down existing debt



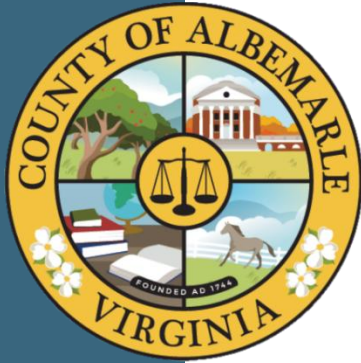
How might a high school or other priority capital projects be funded?

C. Reprioritization of CIP

- Reallocate funding from existing CIP projects to today's highest priorities
 - Beyond ongoing programs & the Northern Feeder Pattern Elementary, FY 27 - 30 includes \$20 million renovations
- Slow the rate of capital project implementation in years leading up to and after a major project

D. Evaluate unused parcels for highest and best use

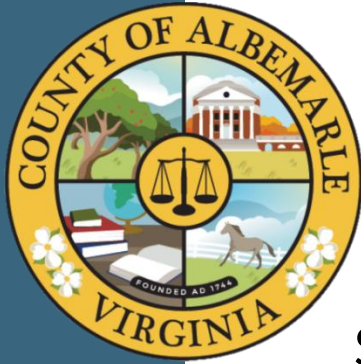
- For example, in 2019 the Board of Supervisors transferred property at no cost to the School Board for High School Center II, since reprogrammed for Upper Mountainview Elementary
- Could include sites owned or proffered for all public uses



How might a high school or other priority capital projects be funded?

E. Property taxes

- Change in rate
 - One cent on the real estate tax rate = \$3.1 million
 - One cent on the personal property tax rate = \$0.1 million
- Change in the composition of tax base
 - Commercial/industrial portion of tax base & corresponding cost of services

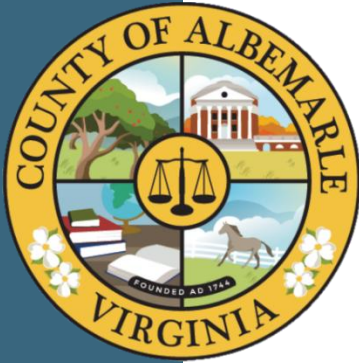


How might a high school or other priority capital projects be funded?

Summary

- A. Legislative Priorities: 1% sales tax referendum
- B. Reprioritization of future revenue growth
- C. Reprioritization of CIP
- D. Evaluate unused parcels for highest and best use
- E. Property taxes: rates and/or composition of tax base

Implementation of major capital projects would require combination of these options, partnership, & multi-year planning



Board Discussion

1. Questions & discussions about CIP projects
2. Discussions strategies and next steps