

City of Alexandria, Virginia
BUDGET AND FISCAL AFFAIRS ADVISORY COMMISSION
Monthly Meeting
Thursday, February 25, 2021
7 p.m.
ZOOM call due to COVID 19 per City Guidelines

Summary Minutes

Commission Members:

Jesse O'Connell (Chair), Janet Blair-Fleetwood (Secretary), Christopher Ferrara, Amy Friedlander, Ben Klein, Nicholas Lee, Skip Maginniss, Kirk McPike, Robert Rapanut, Deb Roepke, Joe Valenti

Absent: Excused absences--Kathy Stenzel (Vice Chair), Paul Igasaki

OMB Staff:

Morgan, Routt, Arthur Wicks

Citizen: Ira Sockowitz

Agenda:

1. **Call to Order: Chair O'Connell** called the meeting to order at 7:04 with a quorum present.
2. **Approval of the Minutes from January 19, 2021 meeting: McPike** moved to approve the minutes, **Lee** seconded the motion. The motion carried by unanimous voice vote.
3. **BFAAC Budget Process and COVID-19 Response Review: Chair O'Connell** commended the Committee on the work to get the memorandum to the City Council.
4. **Response to the City Manager's FY 2022 Proposed Operating Budget and the FY 2022-31 Capital Improvement Program (CIP): Chair O'Connell** started the conversation noting that the recent BFAAC memorandum on the City's COVID-19 response likely would preclude the longer BFAAC memorandum on the proposed budget that BFAAC usually provides. The Committee agreed and discussed various options that would make the memorandum helpful in the City Council's deliberations on the budget. The Committee ultimately decided to divide the memorandum into the three funding options outlined in the City Manager's budget and their pros and cons as follows:
 - a. Revenue options team;
 - b. Expenditure options team;
 - c. CIP and debt servicing team

The memorandum will likely have an Other Comments area for items that don't fit into the above narratives. The memorandum should be done by April 12th for the BFAAC work session with the City Council. Each team's work should be ready to submit their portion of the memorandum to the Committee at the March 16 meeting for review and to

finalize the memorandum. If needed, BFAAC will have a meeting to work through any issues that might arise.

5. **Citizen Attendee:** **Chair O'Connell** welcomed the citizen attendee, Mr. Sockowitz, who explained he was there to observe and planned to attend other such meetings.
6. **Ad Hoc Stormwater and Utility Flood Mitigation Advisory Committee:** **Wick** provided background budget information on the stormwater and utility flood mitigation efforts. He noted that reprioritization included additional funding for capacity, maintenance, and spot mitigation in both the CIP and operating budgets. He noted that the budget outlines the following key funding for the effort: 25% debt service, 55% in the CIP, 18% in the operating budget, and 2% for the Department of Project Implementation. He noted that the debt service portion increased from \$76.6M in last year's budget to \$226.7M. **Wick** then outlined the Ad Hoc committee's expectations and that a BFAAC member would be part of that team. The first meeting will be May 15, 2021 and the group is expected to be in place for a year. **O'Connell** asked members to consider if they would like to be a member. He noted that **Maginniss** has already stated his interest. He said that BFAAC would vote on the member at the March meeting.
7. **OMB Report:** **Routt** explained that the City expectations on additional Federal Stimulus funding, noting the budget has a range of potential funding uses of those funds. He then explained the process of first identifying a potential \$40 million shortfall last November due to the perceived large COVID impact on the commercial sector revenue. The expectation was that the City would have to raise the residential tax rate to make up the difference. As a result of this, the Council asked for three options on how to address closing that shortfall. **Routt** then explained that in January it became clear the commercial impact wasn't as severe as expected plus the higher-than-expected residential assessments and the better-than-expected revenue from local sales tax and other taxes gave the City the ability to prevent budget draconian reductions. These are reflected in the City Manager's budget to the City Council.
8. **Adjournment:** **Valenti** noted that this would be his last meeting. He planned to take a break from Committee work. **McPike** moved that the meeting be adjourned, **Maginniss** seconded. The motion carried by unanimous voice vote. The meeting was adjourned at 8:31 p.m.
9. **Next Meeting:**
 - a. Regular Monthly Meeting, Tuesday, March 16, 2021.