

City of Alexandria, Virginia

MEMORANDUM

Date: OCTOBER 15, 2019

TO: THE HONORABLE MAYOR AND THE MEMBERS OF THE CITY COUNCIL

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)

SUBJECT: MEMO #6 – BFAAC FISCAL YEAR 2021 WORK PLAN

Following the model of the past couple of years, the Budget and Fiscal Affairs Advisory Committee (BFAAC) plans to provide Council with shorter tactical memos throughout the year rather than delivering one comprehensive report in the spring. Last year, in addition to a work plan and budget guidance, BFAAC delivered a memo jointly with the School Board's Budget Advisory Committee (BAC) reflecting on the first year of progress of the Ad Hoc Joint City Schools Facilities Investment Task Force, which primarily addressed budget process, broad City planning and facilities maximization. BFAAC also provided an interim memo on affordable housing, and recommendations related to the City Manager's proposed FY 2020 budget. The latter memo also included a recommendation to plan for long term revenue needs.

With the installment of a new Council, BFAAC was not at full membership until halfway through our annual work cycle. As such we made significant progress on a number of work products that were not delivered during the FY2020 work period but have been (and will be) delivered as part of this FY 2021 work plan, detailed below.

MEMO #1: CITY OF ALEXANDRIA UNCOMMITTED/UNASSIGNED FUND BALANCE TARGET (August 2019): At the request of the Mayor, BFAAC reviewed the 5.5% City target for the Uncommitted/ Unassigned Fund balance and made recommendations as to the appropriate level of the target. This work began during the FY2020 work session and following a number of substantive discussions is finalized and delivered here.

MEMO #2: RECOMMENDATIONS FOR THE MEMBERSHIP COMPOSITION OF THE BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (August 2019): BFAAC offered an assessment on the current membership structure of the committee and provided suggested modifications to ensure the committee continues to include representation from a wide range of stakeholder perspectives.

MEMO #3: FISCAL IMPACTS OF AFFORDABLE HOUSING CONCERNS IN ALEXANDRIA (October 2019): BFAAC offered observations and reflection on the budget's readiness to support affordable housing goals, and explored opportunities to maximize resources for affordable housing including creative or alternative approaches to financing.

MEMO # 4: OBSERVATIONS ON CAPITAL PLANNING NEEDS RELATED TO ACPS FACILITIES REPORT AND HIGH SCHOOL PROJECT (October 2019): BFACC and the School Board’s Budget Advisory Committee (BAC) reviewed matters related to the school’s capital budget; particularly focusing on the recently concluded third party facilities review and the high school project, and their impact on capital budget, planning and staff priorities.

MEMO #5: CITY OF ALEXANDRIA REVENUE CONSIDERATIONS (October 2019): In the BFAAC Report on the City Manager’s Proposed Budget for Fiscal Year 2020 we indicated that we would provide a subsequent memo that reflects on the range of possible revenue sources that could result from a changing political climate in Richmond, as well as various other federal, state, non-profit and public-private opportunities.

MEMO #6: BFAAC FISCAL YEAR 2021 WORK PLAN (November 2019): BFAAC will outline for Council our intended workplan for the year, to better facilitate transparency and provide an opportunity for feedback and guidance.

MEMO #7: RECOMMENDATIONS FOR THE FY 2021 BUDGET GUIDANCE (November 2019): BFAAC will provide recommendations for Council to consider as it develops FY 2021 budget guidance. This memo, along with Memo #6, will be the foundation for BFAAC’s briefing to Council at its November 10 retreat.

MEMO #8: IMPLEMENTATION STATUS OF THE RECOMMENDATIONS OF THE JOINT TASK FORCE (March 2020): BFAAC will continue to work with the School Board’s BAC to monitor the implementation of the Joint Task Force recommendations.

MEMO #9: RECOMMENDATIONS AND OBSERVATIONS RELATED TO THE CITY MANAGER’S PROPOSED FY 2021 BUDGET (April 2019): BFAAC will provide Council a memo with recommendations regarding major issues facing the City in FY 2021. The memo will follow up on revenue and process recommendations made in BFAAC’s FY 2020 Budget memo. In this memo BFAAC also expects to address employee compensation (both general schedule and public safety), and the costs of recruiting and maintaining staff.

MEMO #10: REFLECTIONS ON RECESSION RESILIENCY (May 2020): BFAAC will engage in dialogue with expert city staff as well as conduct a literature review and provide Council with some observations about proactive actions cities can take to successfully prepare for and weather periods of economy recession.

ADDITIONAL MEMOS TBD – BFAAC will be available to support Council throughout the year as matters may arise, welcoming requests from Council on matters where guidance can be helpful.

BFAAC appreciates Council’s support of its work and will endeavor to continue to provide the best recommendations possible on the budget and fiscal affairs of the City of Alexandria.