

# City of Alexandria, Virginia

---

## MEMORANDUM

DATE: NOVEMBER 1, 2017

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)

SUBJECT: MEMO #2 – RECOMMENDATIONS FOR FY 2019 BUDGET GUIDANCE

---

As Council develops its budget guidance for FY 2019, below please find observations and recommendations from BFAAC.

- **Focusing on Larger Policy Goals** – BFAAC reiterates its recommendation that guidance focus on achieving policy outcomes, rather than giving the City Manager specific instructions. BFAAC recommends, per our FY 2018 budget guidance memo, Council avoid giving specific instructions in areas such as: employee compensation, school division transfers, tax rates, number of full-time equivalents in specific departments, etc. and allow the City Manager to present Council a variety of options to meet strategic objectives identified in its guidance. BFAAC continues to recommend the development of outcome-based guidance supporting the Strategic Plan for FY 2019.
- **Setting a Five-Year Revenue Target** – BFAAC reiterates our recommendation for Council to set a five-year revenue goal and direct staff to develop an actionable plan with strategies to grow and diversify the City’s revenue base.
- **Examining the Budget Timeline** – BFAAC encourages Council, as part of this guidance or in the future, to ask staff to reexamine the current budget development timeline, taking into account recent changes as well as any recommendations made by the Ad Hoc Joint City-Schools Investment Task Force. BFAAC specifically urges Council to consider separating the consideration of the CIP, which represents long-term needs, from the operating budget, which represents annual needs. For example, Council could set the CIP budget in the fall and the operating budget in the spring. This approach may allow Council to spend more time on each area and would help ensure the short-term operating needs do not overwhelm the discussion about long-term capital needs. BFAAC also encourages Council to look at the overall budget timeline to allow for more deliberation, particularly at the start of the process. As Council considers changes to the budget timeline, the impact on staff resources, opportunities for public input, and opportunities to synchronize with the ACPS budget timeline should be evaluated.

- **Consider Cumulative Impact of Budget Cuts** – BFAAC encourages Council to direct the City Manager to take into account the cumulative and comparative impact of service changes since the great recession as the Manager evaluates priorities for FY 2019 against the strategic plan.