

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 7, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)

SUBJECT: MEMO #2: RECOMMENDATIONS FOR THE FY 2020 BUDGET GUIDANCE

As Council develops its budget guidance for FY 2020, BFAAC encourages Council to:

- **Focus on Policy Outcomes** – BFAAC reiterates its previous recommendation that guidance focus on achieving policy outcomes, rather than giving the City Manager specific instructions. BFAAC recommends 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.
- **Implement the Ad Hoc Joint City Schools Facilities Investment Task Force** – BFAAC encourages Council to use the guidance to reiterate its support for implementing the Task Force recommendations.
- **Set a Five-Year Revenue Target** – BFAAC encourages 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.
- **Examine the Budget Timeline** – BFAAC encourages Council, as part of this guidance, to ask staff to develop a process, starting with FY 2021, to separate the consideration of the CIP, which represents long-term needs, from the operating budget, which represents annual needs. Likely this would involve Council setting the CIP budget in the fall, and the operating budget in the spring. BFAAC recognizes that City and ACPS budget staffs have begun exploring this change, which also was recommended in the Joint Task Force report, and encourages both to make necessary process adjustments to implement the separation beginning in FY 2021.
- **Consider Regional Uncertainty** - BFAAC encourages staff, to the best of its ability, to address safeguards for uncertainty in our region including federal funding and employment; and Metro service and support, which make Alexandria vulnerable to both expense and revenue shifts outside our control.