

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 19, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE
(BFAAC), DAK HARDWICK, CHAIR

SUBJECT: BFAAC WORK SCHEDULE FOR THE FY 2018 BUDGET CYCLE

ISSUE: Changes in BFAAC work schedule processes.

RECOMMENDATION: After discussing the changes BFAAC has proposed which are detailed in this memorandum, indicate concurrence with these BFAAC FY 2018 work session process proposals.

BACKGROUND: In April 2016, BFAAC issued recommendations to Council on key areas related to the FY 2017 proposed budget, including employee compensation, revenue generation, the ongoing relationship with the Alexandria City Public Schools, capital improvement projects, and City priority setting. Over the course of the briefing, a number of Council members expressed appreciation for BFAAC's recommendations, but noted a desire to have those recommendations available earlier in the budget cycle. In order to meet Council's need for timely and in-depth analysis of major budget issues, BFAAC is modifying its work schedule to deliver earlier recommendations on major issues impacting the budget and budget process.

In coordination with the Office and Management and Budget (OMB) and in alignment with the Council's budget consideration schedule, BFAAC proposes the following work schedule for the FY 2018 process:

1. **Budget Guidance Memo** (delivered prior to the budget retreat on November 5) – As BFAAC has done in previous fiscal years, we will prepare a memo for Council's consideration prior to the adoption of the budget guidance to the City Manager on November 9. This memo will be the basis for BFAAC's briefing to Council at the November 5 retreat and will include a brief summary of the major issues identified in the FY 2017 BFAAC report. Additionally, the memo will address the proposed storm water utility fee, which was briefed by City staff to the Committee during our September meeting.

2. **Five-Year Financial Plan Memo** (delivered in late February 2017) – BFAAC first produced its analysis of the Five-Year Financial Planning document during the consideration of the FY 2016 City Manager’s Proposed Budget. The Committee will again review the Five-Year Financial Planning document and provide recommendations to Council on the effectiveness and utility of the Plan. BFAAC greatly values the Five-Year forecast and will continue to strongly advocate for its use during annual budget considerations.
3. **FY 2018 Budget Memo** (delivered in March 2017) – This memo replaces the traditional BFAAC report and will still cover key aspects of the FY 2018 City Manager’s Proposed Budget. However, the Council should anticipate a significantly shortened document.

In a break from BFAAC’s traditional procedure, we recommend foregoing the traditional work session with Council in April. Given the nature of BFAAC’s recommendations and the fact that a majority of the work sessions typically occur before the BFAAC work session, we recommend communicating with Council on a more frequent basis during the budget process. With earlier and more frequent engagement, both via this memo and the associated inclusion on the Council Legislative docket, as well as at the Council Retreat, the Committee believes it will be better equipped to provide timely recommendations to Council in a more effective and efficient manner.

BFAAC looks forward to continuing to work with the Council, OMB and the City Manager’s Office during the course of the FY 2018 budget deliberation process. We appreciate the Council’s support of BFAAC’s work and will endeavor to continue to provide the best recommendations possible on the budget and fiscal affairs of the City of Alexandria.