

CITY OF ALEXANDRIA, VIRGINIA

MEMORANDUM

Date: NOVEMBER 3, 2023
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)
SUBJECT: MEMO #1 – BFAAC FY 2024 – FY 2025 WORK PLAN

BFAAC is pleased to present City Council with its proposed work plan for FY24-25. We are welcoming several new members to our committee and have determined it is a worthwhile opportunity to use this year to create foundational materials for understanding the complexities of the budget and the budget process that will be useful to BFAAC members, current and future, as well as the Alexandria community at large.

The following are the standard memoranda that BFAAC will provide this year:

- MEMO #1: BFAAC FY 2024-2025 WORK PLAN (October 2023 - this memo)
- MEMO #2: RECOMMENDATIONS FOR THE FY 2024 BUDGET GUIDANCE (October 2023): BFAAC will provide recommendations for Council to consider as it develops the FY 2025 budget guidance; and
- MEMO #3: RECOMMENDATIONS AND OBSERVATIONS RELATED TO THE CITY MANAGER’S PROPOSED FY 2025 BUDGET: BFAAC will provide the Council with a memo with recommendations regarding the major issues facing the City in FY 2025. The memo will follow up on revenue and process recommendations made in previous budget response memoranda.
- BUDGET 101 MEMOS (#4-10): See description below.

We have included our previous year’s work plan, indicating the memoranda that were completed, as an appendix for ease of reference.

FY 2024-25 TOPICAL THEME: BUDGET 101

Beyond our standard guidance memoranda, our focus this year will be education, or “Budget 101.” The intent of this effort is to develop a reference library that helps to demystify how the City budget is developed, for use by current and future Council members and staff, BFAAC members, and community members. We have identified areas of focus, listed in the table below, as well as the expert staff we will invite to our regular monthly meetings to educate us on each topic. The presentations will be recorded and posted to the BFAAC website for future reference, along with a summary memo, written by BFAAC members, which will highlight the key takeaways for both BFAAC and the community on the given subject. The memo should leave the reader with a better understanding of the ways the topic impacts the budget & decision-making

by the City and Council, but at an approachable level (not overly technical). Coalescing this knowledge will be the primary focus of BFAAC this year.

Month	Topic	Notes	Assigned Reading/Review
September (complete)	Budget Process/ Components Overview	Timeline (public and internal), major components/drivers	Understanding the Budget Budget in Brief City Manager's Message
October (complete)	Revenues	Assessments, Business, Professional, and Occupational License (BPOL), Commercial Real Estate, Tax Increment Financing/Tax Districts, Other Financial Tools	Revenues Summary
December (planned)	Finance	Annual Financial Report, Pensions and Other Post Employment Benefits (OPEB), Fund Balance, Investment Policy	Annual Comprehensive Financial Report (ACFR); Monthly Financial Report
January (planned)	Capital Improvement Program	Affordability, debt, cash capital, components, etc	CIP Overview Summary Tables Understanding the CIP
February (planned)	Schools Budget	Joint with School Board Budget Advisory Committee (BAC)	ACPS Fiscal Staff, budget staff and others as determined by ACPS
April (planned)	Special/ Dedicated Revenue Funds & Grants	Transportation Improvement Program (TIP), Sanitary, Storm, Permit, Equipment Replacement, etc <ul style="list-style-type: none"> • What are the funds? • What are the permitted uses? • What was the logic behind creating these funds? 	Grant Funds and Special Revenue Funds
May (planned)	Personnel & Compensation	Size of workforce, cost centers, salary and benefits forecasting process, collective bargaining, market competitiveness	Personnel and Compensation Summary

We anticipate other topics may arise out of these discussions that might lend themselves to their own specific sessions (“Budget 202”) and that education should remain a common thread for BFAAC’s work moving forward.

The proposed timing of the sessions is included in the table above – it may change based on staff schedules. The recordings of each session, including their PowerPoint presentations and the auto-generated transcript of the spoken presentations, will be posted to the BFAAC website after they are reviewed & the videos trimmed to the relevant presentation portions by staff. BFAAC will work on a template that will be used for its summaries, which will be drafted and reviewed by BFAAC as a group over the course of the FY24-FY25 session, for final publication as an assembled package before we break for the summer in June 2024. We want to make sure they tell a cohesive story of what we learned about the budget process and therefore want to review them holistically prior to posting to the BFAAC website. Finally, before publication, we will use built-in Microsoft and/or Adobe PDF tools to check the documents for potential accessibility issues.

If there are additional topics City Council wishes to include in the education calendar, please share them with us at the Budget Retreat and we can work with staff to determine if they can be added to one of the proposed sessions or if it should have its own dedicated session. Note that our first priority is to create a library of topics that are largely unchanging across budget cycles – there may be topics that are unique to specific budget cycles (ARPA, for example) that we could potentially address in later sessions if necessary.

We look forward to working with you during the FY2024-2025 budget season.