

City of Alexandria, Virginia

MEMORANDUM

Date: FEBRUARY 25, 2022

TO: THE HONORABLE MAYOR AND THE MEMBERS OF THE CITY COUNCIL
THE HONORABLE CHAIR AND MEMBERS OF THE ALEXANDRIA CITY SCHOOL BOARD

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)
SCHOOL BOARD BUDGET ADVISORY COMMITTEE (BAC)

SUBJECT: FY 2023 MEMO #6 – JOINT BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE AND SCHOOL BOARD BUDGET ADVISORY COMMITTEE STATUS REPORT ON AD-HOC JOINT CITY & SCHOOLS FACILITIES INVESTMENT TASK FORCE RECOMMENDATIONS

On January 26, 2022, BFAAC and BAC held their fourth joint meeting, including members of both citizen advisory committees as well as key staff from City and School budget and planning offices, and Recreations, Parks and Cultural Activities. The meeting addressed ongoing progress implementing key recommendations of the Ad-Hoc Joint City & Schools Facilities Investment Task Force (the “Joint Task Force”), particularly focusing on the significant capital budget, with the intent of moving the discussion beyond planning to implementation and management. Our joint meetings have become an opportunity to recognize the work of City and School staff, and also to identify additional areas to maximize efficiency and further support their efforts to serve our community.

BACKGROUND

Significant progress has been made since the Joint Task Force issued its final report in 2017. Recognizing that many Council and School Board members have been elected since then, the most impactful achievements are highlighted here.

- The City Manager and School Superintendent have held regular meetings, providing a **united leadership that evokes confidence in our City government**. We encourage the new City Manager to continue this positive opportunity for regular dialogue with the Superintendent.
- This collaborative approach has set the standard for City and School staff more broadly, who report **daily engagement and a generally transparent and collegial relationship, especially among budget and planning staff**.

- **Budget cycles and planning are better aligned**, both City and Schools have adopted a two-year CIP, and continual dialogue ensures no “surprises” when proposed budgets are released.
- The **Joint Capital Management Council is in place** and serves a tactical purpose for identifying and trouble-shooting potential challenges with projects. We encourage staff to continue this successful practice and also use this forum to strengthen discussion of long-term planning.
- Adopting the practice of **budgeting “undesignated” capital funding** has provided some flexibility to purchase and quickly renovate office buildings for new schools.
- **Schools recently completed targeted facilities assessment for all properties** and were able to use that data to fine tune the CIP; and they are also utilizing an upgraded maintenance management system, which is similar in output though not the same system employed by the City.

Significant staff dedication has delivered the above goals, and with continued leadership we are confident in the City’s ability to address challenges in areas including maximizing/sharing use of existing space; shared services & procurement; and longer term financial and revenue planning.

RECOMMENDATIONS

1. **Financial Planning** - BFAAC has long emphasized the need for a long- term, holistic revenue plan. While recognizing that investments targeted at school space and modernization; hospital capacity; transit; and other infrastructure improvements are necessary we also stress the **need for full collaboration on long term financial planning** to ensure the City is responsibly planning for those expenditures. This includes gauging staff and other capacity to execute projects in the desired timeframe; timing of appropriation and authority to spend vis-à-vis realistic project schedules; and the impact of debt service. While the common perception is that “money is cheap” right now, debt service impacts the operating budget and our ability to borrow for unforeseen needs in the future. We **urge Council and School Board to commit to joint responsibility for long term financial planning, engaging in a continuous dialogue about the broad impact of funding capital projects.** That responsibility includes **ensuring the community is informed about revenue needs and allocations, and that affordability is a topic when discussing every capital project - not just during “budget season.”** Opportunities within existing joint meeting sessions should be maximized to include and promote shared visioning among elected leaders on this critical planning issue, with the benefit of staff guidance, to ensure project goals are realized.
2. **Maximize Use of Existing Assets** – Progress has been made in the area of community use of school and recreation facilities. Of particular note is the staging of these facilities for pandemic related testing and vaccination clinics in schools and recreation centers; utilizing recreation space to ease crowding in homeless shelters; and distributing food at recreation centers. In many cases, the City’s Recreation Centers serve as true “community centers” by offering a variety of easily accessible services. There is also significant synergy across City and Schools in the use of school facilities for out-of-school time programs that support child-care needs of Alexandria’s families. However,

there still exist opportunities to make our approach to shared use more efficient. In some areas, limited staffing continues to obstruct efforts to ensure that an adequate level of service is available to citizens where and when they are needed. These challenges should be jointly pursued, regardless of “ownership” or the primary intended use of physical or virtual space. We recognize that the City and Schools are governed by two independently elected bodies each with their own public service mission. However, we continue to **encourage Council and the School Board to use their authority to remove obstacles to maximizing shared use of facilities** whether they be City or School governed, and to prioritize public use for the provision of key community services. This includes but is not limited to education; health and wellness; after school care; recreation for all ages; and access to information about City resources. To achieve the goal of shared use and streamlining processes, vendors, maintenance, etc., across City agencies and Schools, barriers that stand in the way of that goal must be identified, examined, and ultimately addressed. To **facilitate the sharing of facilities and to achieve cost efficiency wherever possible, we encourage an assessment of operations with the objective of realizing an integrated City/School facilities management and service delivery model.**

3. **Empower Staff** - Reviewing projects included in the School’s capital budget, it is evident that the Joint Capital Management Council structure as well as daily staff coordination is positively impacting new projects from site acquisition to usage planning. **We strongly commend budget and planning staffs for their achievements.** Recent and current capital projects such as the High School Project, MacArthur and Patrick Henry present an opportunity to realize the benefits of cooperative planning and co-locating services, which can serve as a model for other new projects and also provide a new lens through which to view potential for existing space. **In order to ensure plans are maximized and to facilitate similar visioning for existing space, we encourage staffs from all segments of City government be included in discussions around service delivery and efficiency and be empowered to promote their cross-functional abilities and needs in their daily responsibilities.** As an example, movement toward developing a joint transportation facility at Witter/Wheeler should continue, and additional opportunities for shared use of procurement, maintenance personnel, vendors and contractors among the different departments (not just between City and Schools) should be adopted.
4. **Looking forward** - We briefly addressed the potential for Collective Bargaining to significantly impact the budget – bottom line and process - as multi-year salary and benefit contracts likely could result. While recognizing that both City and School leadership are studying their approach to this new environment, and while not yet evaluating their processes, **BFAAC and BAC strongly recommend full transparency and cooperation among Schools, City and all affiliated departments to fulfill interests of equity and responsible budgeting as collective bargaining becomes a tool for public employees.** Toward that end, we agreed to include Collective Bargaining as a topic for the next joint meeting, and to keep each other apprised of any developments in the interim.

BFAAC and BAC appreciate the opportunity to provide recommendations on these matters and welcome feedback from Council and School Board as well as recommendations for our further consideration.