

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 29, 2025
TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)
SUBJECT: MEMO #1 – BFAAC FISCAL YEAR 2026 WORK PLAN

BFAAC is pleased to present City Council (Council) with its proposed work plan for Fiscal Year 2026. The following are the anticipated memoranda that BFAAC will produce this year:

- **MEMO #1: BFAAC Fiscal Year 2026 Work Plan** (October 2025 – this memo) – *BFAAC will outline our intended work plan for the year to better facilitate transparency and provide an opportunity for feedback and guidance from the Mayor and Council.*
- **MEMO #2: BFAAC Recommendations for the Fiscal Year 2027 Budget Guidance** (October 2025) – *BFAAC will provide recommendations for Council to consider as it develops the Fiscal Year 2027 budget guidance. This memo, along with Memo #1, will be the foundation for BFAAC's briefing to Council at its November 1 budget retreat.*
- **MEMO #3: BFAAC Recommendations and Observations Related to the City Manager's Proposed Fiscal Year 2027 Budget** – *BFAAC will provide Council with recommendations regarding the major budgetary issues facing the City in Fiscal Year 2027. The memo will follow up on fiscal and process recommendations made in previous BFAAC budget response memoranda.*

The following are additional topic-specific memos BFAAC is prepared to present to Council as the remainder of our work this year (or next). Details about each memo are included below. Below each, BFAAC has also included some questions for Council's consideration and potential discussion during the BFAAC portion of the November 1 retreat.

- **MEMO #4: Guidance for Budget Assessment, Decision-Making** (Spring 2026)
- **MEMO #5: Update on BFAAC Education Series** (Spring 2026)
- **MEMO #6: Best Practices Around Collective Bargaining** (Potentially 2026-2027)

Additional Details on BFAAC Topic-Specific Memos

Memo #4: Guidance for Budget Assessment, Decision-Making

During past discussions with BFAAC, Council has asked for more guidance and/or tools to utilize when making budget decisions, setting budget priorities and/or communicating those decisions to the public, particularly in anticipation of difficult future budget trade-offs. We use the word “tools” broadly; this could include a set of guiding principles, questions, or factors; rubrics or scoring systems; or other approaches. In response to this request, BFAAC intends to develop a memorandum addressing the following:

- identify current and/or prior tools the City utilized to assess or score city budgets;
- research and/or literature review of decision-making tools other legislative bodies and/or elected leaders of communities that have similar attributes to Alexandria have utilized, particularly during times of significant financial constraints;
- overview and analysis of the tools that have been most effectively utilized; and
- recommendations for next steps Council could take if it is committed to moving forward with developing and utilizing some type of budget decision-making and communication tool.

Questions for discussion:

- Will the work product described above provide the type of input that Council is seeking from BFAAC? Is there anything else that you would like to see included in BFAAC’s memo?
- Are there specific budget decision making tools that you have seen or know about that you do not currently have access to that you would like to see identified through this work?

Memo #5: Update on BFAAC education series

As you may recall, in the FY 2024 - FY 2025 Work Plan memo dated November 3, 2023, BFAAC outlined a plan to conduct an educational series titled “Budget 101.” The goal was to develop a reference library to help demystify how the City budget is developed for use by current and future Council members and staff, BFAAC members, and possibly community members. The reference library was conceived to include: (1) video recordings of the educational sessions; (2) copies of the presentation used during the educational session; and (3) a brief summary document outlining the key takeaways from each session.

To date, BFAAC has completed six educational sessions which covered the following topics: overview of the budget process; revenue; finance; CIP; and the ACPS budget. While summaries of each were developed, unfortunately the recordings of the presentations were determined to be

unusable because of poor audio quality. As a next step, BFAAC intends to meet with the City's Communications team to discuss how BFAAC's work could be incorporated and/or used to supplement the existing public education efforts the City has planned regarding the budget. BFAAC will provide a brief memorandum updating Council on the results of that discussion and any identified next steps.

Question for discussion:

- Does Council have any suggestions for topics to include in BFAAC's discussion with the City Communications staff regarding public education around the budget?

Memo #6: Sequencing of Collective Bargaining Units

As Council is aware, the City is currently simultaneously negotiating several collective bargaining agreements, leading to a concentrated budget impact. BFAAC has received feedback that Council is interested in learning more about best practices around the sequencing of collective bargaining agreements and the overlay with budget years. If desired, BFAAC could develop a memorandum addressing the following:

- research and/or literature review of best practices around sequencing and/or staggering of municipal collective bargaining agreements; and
- ways cities have managed the concentrated budget pressures if bargaining agreement (re)negotiations are concentrated in a given budget year

Questions for discussion:

- BFAAC's inclination is to hold off writing this memo until the completion of this bargaining process to ensure that it incorporates an analysis of the City's current negotiations. Would a memo produced during the 2026-2027 term be acceptable to Council?
- Does the work product described above address Council's questions and/or concerns on this topic?

Conclusion

We look forward to discussing our proposed work plan with you at the Council Budget Retreat on November 1, and to working with you this year.