

City of Alexandria, Virginia
BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)

Monthly Meeting

September 15, 2026

Nannie J. Lee Memorial Recreation Center, Room #4
1108 Jefferson Street, Alexandria, VA 22314

Summary Minutes

Committee Members Present: John Ruthinoski, Mayor Gaskins Designee (Chair); Randall Williams, Vice Mayor Bagley Designee (Vice Chair); Nancy Drane, School Board Designee (Secretary); Emily Bryan, Chamber of Commerce Designee; Erica Kaster, Citizen-at-Large; Lester Simpson, Councilmember Greene Designee (Virtual); Mark Tonsetic, Citizen-at-Large (Virtual); Jake Truex, Chamber of Commerce Designee

Absent: Mindy Lyle, Councilmember Elnoubi Designee

Staff Present: Morgan Routt, Director of the City of Alexandria Office of Management and Budget; Meghan McGrane, Budget Management Analyst

Guest: One public attendee observed the meeting

1. **Call to Order:** Chair **Ruthinoski** called the meeting to order at 6:44 P.M.

Ruthinoski is looking into whether we can move our start time to 7:00 P.M. (ending at 9:00 P.M.). He will advise BFAAC members once he has an update.

2. **Approval of the Minutes of the June 23, 2026 Meeting**

Bryan made a motion to approve the minutes of the June 23, 2026 meeting, seconded by **Williams**. The motion carried by unanimous voice vote of those present.

3. **BFAAC Electronic Meeting Participation Policy**

McGrane shared that Council recently reauthorized its electronic meeting participation policy. BFAAC bylaws direct that it shall not convene an all-virtual meeting more than the greater of: (i) two (2) meetings or (ii) 50% of the meetings held per calendar year rounded up to the next whole number. BFAAC is also not permitted to hold consecutive all-virtual meetings. These restrictions do not apply to subcommittee meetings.

BFAAC needs to reaffirm this policy annually. **Truex** made a motion to approve policy, seconded by **Kaster**. The motion carried by unanimous voice vote of those present.

4. BCC Noticing Procedures

McGrane provided BFAAC members with some reminders regarding general boards and commissions rules:

- Open meeting requirements trigger when more than two (2) BFAAC members get together (virtual or in-person) (includes subcommittees)
 - If members of two separate bodies meet (e.g., BFAAC and School Board's BAC) open meetings laws technically only trigger if there are more than 2 members of each body present – but the Clerk would still prefer we follow open meeting procedures
- What is required?
 - Timely public notice of the meeting – City staff will post for us; requires 3 full working days (working days are days City offices are open for business and excludes holidays; the day of the meeting itself is not counted, but the day the notice is published does count)
 - Meeting must be accessible to the public – Can be public building or private (e.g., coffee shop) if it is accessible to the public
 - Minutes must be prepared – Minutes must be posted immediately, then amended after they are approved at the next meeting; must include date, time, location, those present/absent, summary, record of votes taken
 - Agenda must be made available at the same time provided to meeting attendees
 - Meetings are not required to be recorded, but if they are recorded, the recording must be publicly available; City staff will typically be at any virtual meeting to ensure the Zoom is launched, recorded, etc. In-person meetings – they are available if needed, but not required.
- Reminders about communication outside meetings:
 - Like meetings, BFAAC members cannot engage in e-mail communication with more than one other board meeting member at a time
 - Best practice is for City staff to distribute e-mails instead of BFAAC members
 - If you send: use BCC function; if not BCC'd, remember not to “reply all” to e-mails

5. Nominations for BFAAC Chair, Vice Chair, and Secretary

Ruthinoski opened the floor to solicit any interest from BFAAC members in serving in officer roles (Chair, Vice Chair, Secretary). There being none, **Ruthinoski** shared that the current officers are willing to continue in their respective roles. **Kaster** made a motion to nominate **Ruthinoski** as Chair; **Williams** as Vice Chair; and **Drane** as Secretary. The motion was seconded by **Truex**. The motion carried by unanimous voice vote of those present. Elections will be held at the next BFAAC meeting in October.

6. ACPS Classification Funding Memo Updates

Ruthinoski shared that BFAAC's and BAC's joint memo on the ACPS funding by classification was received by elected leaders and City/Schools staff this summer. The City Manager met with the BFAAC/BAC subcommittee (including **Drane** and **Williams**) and other City staff over the summer to review its content and recommendations. **Routt** expressed appreciation for BFAAC's and BAC's work on the memo and shared that the contents of the memo factored into City staffs' planning on implementing this new funding approach. The City Manager and City staff met throughout the summer, including with ACPS staff and School Board members, to develop implementation recommendations for Council. These recommendations were shared with Council in early September.

As for budget development (to go into effect FY28), the City Manager will continue to propose a total amount for the ACPS transfer but will make a recommendation for how that might be broken out by classification category. Council will utilize the add/delete process to make any desired adjustments. The entire process – and particularly the add/delete process – will require significant collaboration between City and Schools staff. As for changes proposed during the add/delete process, City staff will encourage Council to focus on what the policy outcome is they want to achieve and then City staff will work with Schools to see how that will play out with respect to the classification categories. They will likely use the budget memo process to navigate these requests.

As for transfers made between classification categories during the budget year (to go into effect July 1, 2027) the City Manager has proposed that anything under \$500,000 be approved by the City Manager; with anything over that amount subject to Council review. Going through the City Manager should promote efficiency and avoid administrative burden (i.e., docketing, agendaing, etc.) City staff are still working on finalizing the process, with focus on ensuring there is a short turnaround time to avoid any impact on school operations.

City staff continue to work on a few Council requests related to visibility around transfers that are approved by the City Manager, rules of engagement around the add/delete process, and public education around the change to how ACPS is funded by Council.

BFAAC members emphasized the importance of having an after-action review of the process to see how it worked and to assess any additional burden on staff time and resources. BFAAC members also emphasized that if transparency is a goal of this process change, staff will need to ensure there is adequate public messaging and education about the change during the budget season and when transfer-related information is shared with Council.

7. BFAAC Memo on Budget Decision-Making Tools and AI Updates

Ruthinoski shared that there has been no response from Council thus far on this memo submitted in June 2026, but will keep BFAAC members apprised of any feedback or questions from Council.

8. OMB Overview of Budget Process and Potential FY28 Challenges

Routt and **McGrane** shared a presentation related to FY28 budget development. Key drivers for the FY28 budget continue to be:

- Real estate assessments
- Consumption taxes
- Collective bargaining agreements
 - Note: 3 agreements currently in place; 1 being renegotiated; 1 group that is now negotiating their first agreement – more than 50% of City staff; upside is that it provides stability but also incorporates compensation increases that are typically beyond a step increase
- APCS
- Capital Improvement Plans
- WMATA capital funding agreement (due for renegotiation)
- Inflation
- Demand for services (always exceed revenue)

Routt shared that City staff and Council will continue to use the following decision-making tools to guide FY28 budget development:

- Council's strategic priorities
- City council guidance (to be articulated in November)
- Community input
- Budget equity tool
- Climate action review
- Service impacts
- Mandates (what is legally or otherwise required)
- Safety (what is required on a safety level)
- Maintenance (ensuring upkeep to avoid future costs)

The FY28 budget development process is as follows:

- Pre Proposal (Sept-Feb)
 - Assessment of cost of maintaining current level of service
 - Calculation of revenue estimates at current rates

- Issuance of City Manager guidance (will go out on or about October 1)
- Council retreat & development of Council budget guidance
- Development of budget reduction options (efficiencies)
- Identification and exploration of supplemental budget requests
- Fee adjustments (legal guidance; jurisdictional comparison; cost recovery)
- Department meetings with City Manager's office to review all of the above (reductions, supplemental request, etc.)
- Post Proposal (Feb-April)
 - Proposed budget presentation by City Manager
 - Community engagement
 - Council work sessions & public hearings
 - Budget memos
 - Council add/delete process
 - Budget Adoption

Routt then reviewed potential BFAAC work plan topics:

Collective Bargaining Sequencing – This was raised by Council last year and BFAAC proposed tackling it in FY28. Key questions include: in an environment where we have five different units on three different cycles – what are best practices around sequencing and what is the impact of having overlapping agreements? Collective bargaining consumes a considerable amount of City staff time across a range of offices, with some dedicated staff positions.

Fee/Cost Recovery Assessment – Key questions here: how does the City continuously assess its various fees and how do those fees compare to other jurisdictions? Research would include how jurisdictions systematize fee reviews (i.e., regular review rotation, triggers to launch review) and what approaches they take to assess (i.e., cost recovery v. jurisdictional comparison v. cost allocation plan). Currently, City has different approaches to these questions (e.g., Department of Parks and Recreation has a more sophisticated cost allocation plan, balancing public good v. low cost recovery rate – could this be utilized in other departments?). One open question: would Council most benefit from a general analysis of how the City conducts a continuous assessment of fees, or are there particular fees that the City would like us to analyze on a deeper level?

9. BFAAC FY28 Work Plan

Ruthinoski reviewed BFAAC's typical work product:

- BFAAC Work Plan (presented at Council retreat – November 7)
- Recommendations for Council's Budget Guidance (presented at Council retreat – November 7)

- Additional Memos (as determined and included in work plan) (see above)

Ruthinoski asked Council representatives to check in with Councilmembers on those topics or see if there are other areas they'd be interested in hearing from BFAAC on. We will want the memos prepared by November 2 or 3. **Ruthinoski** noted that Councilmembers Chapman and Aguire have had BFAAC vacancies for over a year; Councilmember Marks who is new to the Council also has a vacancy.

McGrane also flagged that BFAAC's work session with the Council will likely be on March 31 and that we will likely need to move our April 20 meeting to April 13 due to conflict with Council budget calendar.

10. Updates and Reports

a. Stormwater Utility & Flood Mitigation Advisory Group

Tonsetic reported on the group's latest activities. First meeting post-Summer break is tomorrow evening. Tonsetic won't be able to attend due to business travel.

b. Commission on Technology

Williams reported on the group's latest activities. First meeting post-Summer break is this week. A public safety and technology discussion is on the agenda, likely to include FLOCK.

11. Adjournment

A motion was made by **Drane** and seconded by **Williams** to adjourn the meeting. The motion was carried by unanimous voice vote. The meeting was then adjourned at 8:25 p.m.

Upcoming Meeting(s) / Important Dates:

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<i>Event</i>	<i>Date/Time</i>	<i>Location</i>	<i>Status</i>
BFAAC Regular Meeting	Tuesday, October 20, 2026 – 6:30pm	Lee Center, Conference Rm #4	<i>Noticed</i>
BFAAC Regular Meeting	Tuesday, November 17, 2026 – 6:30pm	Lee Center, Conference Rm #4	<i>Noticed</i>
BFAAC Regular Meeting	Tuesday, December 15, 2026 – 6:30pm	Lee Center, Conference Rm #4	<i>Noticed</i>
BFAAC Regular Meeting	Tuesday, January 19, 2027 – 6:30pm	Lee Center, Conference Rm #4	<i>Noticed</i>
BFAAC Regular Meeting	Tuesday, February 16, 2027 – 6:30pm	Lee Center, Conference Rm #4	<i>Noticed</i>
BFAAC Regular Meeting	Tuesday, March 16, 2027 – 6:30pm	Lee Center, Conference Rm #4	<i>Noticed</i>
BFAAC Regular Meeting	Tuesday, April 20, 2027 – 6:30pm	Lee Center, Conference Rm #4	<i>Noticed</i>
BFAAC Regular Meeting	Tuesday, May 18, 2027 – 6:30pm	Lee Center, Conference Rm #4	<i>Noticed</i>