City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 7, 2026

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)

SUBJECT: MEMO #1 – BFAAC FY 2027 WORK PLAN

BFAAC is pleased to present City Council ("Council") with its proposed work plan for FY 2027. The following are the anticipated memoranda that BFAAC will produce this year. We welcome Council's guidance on the discussion questions below at the November 7 Budget Retreat:

- **MEMO #1: BFAAC Fiscal Year 2027 Work Plan** (November 2026 – this memo) – *BFAAC will outline our intended workplan 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 FY2028 Budget Guidance** (November 2026) – *BFAAC will provide recommendations for Council to consider as it develops the FY 2028 budget guidance. This memo, along with Memo #1, will be the foundation for BFAAC's briefing to Council at its Budget Retreat in November.*

- **MEMO #3: BFAAC Recommendations and Observations Related to the City Manager's Proposed Fiscal Year 2028 Budget** (March 2027) – *BFAAC will provide Council with recommendations regarding the major budgetary issues facing the City in FY 2028. 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. Details about each memo are included below. Following each memo description, we have included questions for Council's consideration and potential discussion during the BFAAC portion of the November 7th retreat.

- **MEMO #4: Fee/Cost Recovery Assessment** (Spring 2027)

- **MEMO #5: Best Practices Around Collective Bargaining** (Spring 2027)

Additional Details on BFAAC Topic-Specific Memos

Memo #4: Fee/Cost Recovery Assessment

BFAAC is aware that Council is interested in learning how the City continuously assesses its various fees, developing best practices for updating its fees, and understanding how Alexandria's fees and related processes compare to other jurisdictions. This memo would present research on how other jurisdictions systematize fee reviews (i.e., regular review rotation, triggers that launch reviews) and what approaches they take to assess selected fees (i.e., cost recovery v. jurisdictional comparison v. cost allocation plan). Currently, the City has different approaches to these questions (e.g., Department of Parks and Recreation has a more advanced cost allocation plan, balancing public good v. low cost recovery rate). Could this approach be utilized in other departments?

Questions for discussion:

- Will the work product described above provide the type of input Council is seeking from BFAAC? What additional questions would you like to see addressed in BFAAC's memo?

- We propose approaching this by beginning with benchmarking how other comparable jurisdictions set fee schedules (both fees and process). Does Council have specific categories of fees they are interested in BFAAC focusing on? Otherwise we will chose a manageable number of fees to include in our review.

    - To assist in identifying fees of interest, consider the following questions:
        - How were fees that were increased in the last budget cycle identified as candidates?
        - Are there services that are currently subsidized by tax dollars that could be at least partially paid for by user fees?
        - Are there high-demand services with long waitlists where higher fees could fund expanded access?

- What outcomes are Council hoping to achieve using the information requested?

Memo #5: Best Practices Around Timing of Municipal Collective Bargaining

As Council is aware, the City is currently simultaneously negotiating several collective bargaining agreements, leading to a concentrated budget impact. In addition, collective bargaining consumes a considerable amount of City staff time across a range of offices, including some dedicated staff positions. As BFAAC noted last year Council has expressed

interest in learning more about best practices around the sequencing of collective bargaining agreements and the overlay with budget years. If desired, BFAAC will develop a memorandum addressing the following:

- Provide results of research and/or literature review of best practices around sequencing and/or staggering of municipal collective bargaining agreements; and

- Explore how cities have addressed concentrated budget pressures when bargaining agreement renegotiations cluster within a single budget year.

Questions for discussion:

- Does the work product described above address Council's questions and/or concerns on this topic?

- Are there specific jurisdictions Council would like to ensure BFAAC uses as a benchmark?

Follow-Up from BFAAC's FY 2026 Memo #4

FY 2026 Memorandum #4 from the Budget and Fiscal Affairs Advisory Committee delivered to Council on July, 2 2026. The memo included:

- An analysis of Alexandria's budget decision process
- A recommendation of a tool Alexandria could use to help with budget decision making and prioritization based on the Strategic Tactical Allocation of Resources Tool (or START) developed and used in Tempe, AZ.
- A discussion of multiple ways artificial intelligence could support budgeting and public engagement.

If Council members have any questions about this memo, please let BFAAC know and we can address them at the retreat in November.

BFAAC looks forward to discussing our proposed work plan with you at the Council Budget Retreat on November 7, and to working with you this year.