

Budget and Fiscal Affairs Advisory Committee (BFAAC) Minutes
City Hall, Sister Cities Conference Room #1101
November 15, 2016

Present: Dak Hardwick, Skip Maginniss, Margaret Gullen, David Baker, Michael Wenk, Ben Klein, Laurie MacNamara, Len Rubenstein, Martin Frost

Absent (excused): Clarence Tong, Patrice Linehan, Robert Shea, Michael Carrasco

OMB staff members: Morgan Routt, Whitney Harris

1. **Call to Order.** A quorum being present, the meeting was called to order at 7:08 pm by Chair Dak Hardwick.
2. **Minutes.** A motion to accept the minutes as submitted from October 18, 2016 was made by Michael Wenk and seconded by David Baker. The motion was approved unanimously.
3. **Introduction of Mayor Silberberg's Representative.** Mr. Hardwick introduced Martin Frost as Mayor Silberberg's new Committee representative.
4. **OMB Report – Council Retreat and Guidance.** Morgan Routt provided an update on the general state of the economy and specifically in Alexandria. With revenue growth suppressed and costs rising, major issues include schools/enrollment growth, Metro, stormwater management utility fee, and affordable housing. Mr. Routt requested BFAAC's help with debt policy guideline recommendations, focusing on appropriate targets/limits with upcoming capital expenditures, notably the Potomac Yard Metro.
5. **OMB Report – FY 2018 Budget Development.** Mr. Routt discussed the budget guidance approved by the City Council on November 9, noting the flexibility for funding increases for strategic goals; cost reductions; and flexibility on any potential tax rate changes. In addition, the City Manager's memo on FY 2018 Budget Adjustment Instructions detailed the upcoming budget process with a five percent reduction request for City departments, giving them flexibility to make choices and request supplemental funding as needed. Mr. Routt noted that the City will need to prepare for future service reductions if revenue trends continue.
6. **New Business**
 - a. **Five-Year Financial Plan.** BFAAC's review, led by Laurie MacNamara, will focus on the Revenue Master Plan recommendation made in its FY 2017 Report.
 - b. **Council tasking on City-ACPS CIP Options and Debt Policy Guidelines.** Committee members discussed the City-ACPS CIP Options tasking and potential ideas, including ACPS CIP process integration into the City's CIP prioritization process; a better path to fund capital needs and enhance transparency; and facility construction processes impacting ACPS's capital project planning process through late submissions, offering an opportunity for process improvement. This analysis would be completed by the end of February 2017. Mr. Hardwick recommended undertaking the debt policy guidelines tasking as a separate effort to be conducted in the same timeframe. Mr. Hardwick then formed two subgroups with membership as follows: 1) debt policy guidelines (Margaret Gullen, Michael Wenk, Martin Frost, Dak Hardwick, Len Rubenstein) 2) City-ACPS

CIP recommendations (Ben Klein, David Baker, Patrice Linehan/New ACPS BFAAC representative, Skip Maginniss, Robert Shea).

- c. **December meeting.** The City Manager will be invited for a discussion on the Revenue Master Plan recommendation to include the desirability of setting revenue targets. The meeting will also focus on the City-ACPS CIP Options and Debt Policy Guidelines subgroup planning.
 - d. **Other items.** Mr. Routt was asked to provide information on the capital funding impacts of accelerating the remediation for the Oronoco Bay combined sewer outflow project.
7. **Adjournment.** Having no further business, the meeting was adjourned at 8:26 pm. Skip Maginniss made the motion to adjourn, with a second by Margaret Gullen.