

**Budget and Fiscal Affairs Advisory Committee (BFAAC) Minutes**  
**City Hall, Conference Room #2000**  
**January 17, 2017**

**Present:** Dak Hardwick, Skip Maginniss, Margaret Gullen, Michael Wenk, Laurie MacNamara, Len Rubenstein, Martin Frost, Kathy Stenzel, Clarence Tong, Robert Shea

**Absent (excused):** Ben Klein, David Baker

**Absent (unexcused):** Michael Carrasco

**OMB staff members:** Morgan Routt, Alex Braden, Whitney Harris

1. **Call to Order.** A quorum being present, the meeting was called to order at 7:05 pm by Chair Dak Hardwick.
2. **Minutes.** A motion to accept the minutes as submitted from December 20, 2016 was made by Martin Frost and seconded by Michael Wenk. The motion was approved unanimously.
3. **OMB Report – FY 2018 Budget Development.** Morgan Routt provided updates on the City's current fiscal environment and the FY 2018 budget development process. Mr. Routt noted that the \$9.6M subsidy increase request from ACPS, if fully funded, would absorb almost all of the City's expected \$10M revenue growth before the expected \$6.5M WMATA subsidy increase. He noted that expenditures are expected to increase by approximately \$8M, addressed in part with \$3.5M fund balance transfer from the State Medicaid fund balance as well as two other one-time-only sources. City departments are in the process of presenting options focused on efficiency/service reductions. Mr. Routt noted that the planned March 22 Budget Worksession has been rescheduled to March 21, conflicting with the March BFAAC meeting, which will need to be addressed. Discussion with Mr. Routt centered on the Real Estate Tax Rate Table and cross-jurisdictional tax rate comparisons as well as the multiple drivers impacting our revenue needs, including schools, Metro, and debt service.
4. **New Business.**
  - a. **Welcome to Kathy Stenzel as new ACPS representative.** Ms. Stenzel thanked the Committee for her welcome and indicated her interest in joint BFAAC-BAC meetings.
  - b. **Five-Year Financial Plan/Revenue Master Plan.** Laurie MacNamara reviewed the proposed topics and work schedule for the proposed memorandum to Council. Upon discussion of the time needed for research and analysis, the Committee agreed that this memorandum would be decoupled from the FY 2018 budget cycle and targeted for delivery to Council in May 2017. Ben Klein and Laurie MacNamara, as co-chairs of the memorandum development subcommittee, will provide a revised schedule for review at the February BFAAC meeting. Robert Shea, Clarence Tong, Michael Wenk, Martin Frost, and Kathy Stenzel will serve on the subcommittee.
  - c. **City-ACPS CIP.** Action on this memorandum will be deferred at this time.
  - d. **Debt Policy Guidelines.** The Committee agreed to develop this memorandum in conjunction with the FY 2018 budget cycle, with an April delivery target to

Council. Margaret Gullen, Len Rubenstein, Skip Maginnis, David Baker, and Dak Hardwick will serve on this subcommittee, with a late February – late March anticipated work schedule. The subcommittee's work will focus on debt targets and policy guidelines. The March 21 BFAAC meeting (which may be rescheduled given the new Budget Worksession conflict) will focus on the review and vote on the memorandum.

- e. **Other Business.**
  - i. The February BFAAC meeting, scheduled for February 21, will be canceled given the FY 2018 Budget release and scheduled Revenue/Compensation Worksession. The March BFAAC meeting, scheduled for March 21, also conflicts with a Budget Worksession (see above) but Committee members were asked to save the March 21 date for the BFAAC meeting until further notice.
  - ii. The Committee discussed SB 898 addressing the Combined Sewer Outflow into Oronoco Bay, focusing on the impact of the financial penalties included in the bill being discussed in the Virginia State Senate in Richmond.
- 5. **Adjournment.** Having no further business, the meeting was adjourned at 8:26 pm. Len Rubenstein made the motion to adjourn, with a second by Margaret Gullen.