

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

Monthly Meeting

January 21, 2025

Alexandria City Hall, 301 King St., Alexandria VA 22314

Sister Cities Conference Room, #1101

Summary Minutes

Committee Members Present:

Michelle Millben (Vice Chair), John Ruthinoski (Secretary), Nancy Drane, David Millard, Lauren O'Brien, Rob Rapanut, Kristine Slayden, Antonio Tamariz, Mark Tonsetic, Randall Williams

Excused/Absent:

Amy Friedlander (Chair), Brant Snyder

Office of Management and Budget (OMB) Staff:

Morgan Routt, Meghan McGrane

Agenda:

1. **Call to Order: Ruthinoski** called the meeting to order at 7:05 p.m.
2. **Approval of the Minutes from the December 17, 2024, meeting:** A motion was made by **Drane** and seconded by **Rapanut** to approve the minutes of the October 22nd meeting with one correction noting that Sarah Taylor is the former Assistant City Manager & Legislative Director. The motion was carried by unanimous voice vote.
3. **City General Fund Obligation "Locked in Revenue": McGrane and Routt** gave a presentation discussing the City's "locked in" General Fund revenue obligations, i.e., funding that is limited to a specific purpose (such as the City's match of the Health Department budget, retirement costs, and collectively bargained salary increases). OMB estimated that out of approximately \$467M in the City Operations budget, a total of 59.2M was locked in, but 100% of ACPS funding and debt service were considered locked in. In total they estimated 50% of the General Fund was obligated. **Routt** added that there were potentially many other services that could be added depending on the definition of what was considered "locked in." OMB's definition was strict and did not include these services.

After discussion, BFAAC members asked OMB to develop a revised version of the General Fund Revenue Obligation Chart that accounted for the full cost of collectively bargained salaries (not only the increases) and to develop a chart that displays the five-year trend in the percent of revenue that is obligated. **Routt** stated that an updated draft of the General Fund Revenue Obligation Chart would be developed following the release of the FY 26 budget.

Ruthinoski turned over the chair to **Vice Chair Millben**.

4. **Discussion of Spring Revenue Memo:** Vice Chair Millben stated that Chair Friedlander asked the BFAAC to prioritize potential topics included in the BFAAC FY 2026 Work Plan Memo for the proposed “Revenue Deep Dive” Memo and assign BFAAC staff to develop them into a memo. After discussion, the BFAAC prioritized the proposed topics into the following categories:

Urgent

- Relative amount of revenue that is “locked-in” to certain expenditures on an annual basis, e., dedicated revenues, amount of general revenues necessary to cover debt service, collective bargaining contracts, etc., vs what is more flexible.
- Economic development & impacts on commercial vs residential tax revenue balances.
- Major fiscal cliffs & potential dedicated revenue impacts, especially transportation related (DASH, WMATA).

Important

- Understanding of City’s current work with Richmond, lobbyists, federal grant consultants, considering its applicability to ACPS or other agencies.
- Amount of general fund revenue subsidizing state-level employees (Sheriff’s office, Commonwealth’s Attorney, courts), or an update to OMB’s previous report on the same.
- Literature review of “revenue master plan” concepts, if they exist, from other municipalities.
- Availability or applicability of public-private partnerships, non-general fund revenue sources.
- Considering revenue-related topics from an equity lens.

Not Pressing

- Understanding revenue-related powers afforded to Alexandria given the legal structure in which it operates between its unique status as a chartered independent city and the Dillon Rule conditions of Virginia, especially as it relates to conveying the same to the community-at-large about what Council can and cannot do in terms of revenue.
- Comparison of expenditure-related powers & processes to neighboring jurisdictions and potentially elsewhere in the country (referendums, bonding, etc.) and comparison of independent cities vs counties in Virginia.
- Projected federal administration-change revenue impacts, if known.
- Identifying potential untapped federal and state sources of revenue.

Vice Chair Millben recommended the Spring 2025 memo include the Urgent and Important topics, while the balance be addressed at a later date. She asked for volunteers to develop the relevant sections of the memo. Three subcommittees were formed:

Locked in Revenue and Fiscal Cliffs – **Tonsetic** (Chair), with **Drane**, **Ruthinoski**, **Slayden**, and **Willians**

Economic Development – **Millard** (Chair) with **Chair Friedlander** and **Rapanut**

Important Topics – **Vice Chair Millben** (Chair) with **Tamariz** and **O'Brian**

McGrane said it is possible that time could be set aside for these subcommittees to meet during the February BFAAC meeting. If subcommittee meetings were to occur outside the regular BFAAC meeting times, the meetings would be subject to FOIA notification requirements. She also noted that the BFAAC would likely be presenting to the City Council on the FY 2026 Budget at the Work Session on March 26th.

5. **Actions and Updates:** **Vice Chair Millben** reminded the BFAAC its seat on the Commission on Information Technology was vacant and asked for a volunteer to serve. **Williams** volunteered to serve. No BFAAC members volunteered to serve on the Stormwater Utility and Flood Mitigation Advisory Committee.

OMB Report: **Routt** reported that OMB was in the process of meeting with the City Manager to review budget proposals. He also noted that Real Estate assessments will come out next month, giving a clearer picture of available revenue. **Drane** reminded members that the Superintendent would be releasing the ACPS budget on January 23rd.

6. **Adjournment:** **Ruthinoski** moved the meeting be adjourned. **O'Brian** seconded the motion. The motion was carried by unanimous voice vote. The meeting adjourned at 9:02 PM.

7. **Upcoming Meetings/Significant Dates:**

- BFAAC Regular Meeting – Tuesday, February 18, 2025 – 7:00 PM
- *Proposed FY 26 2026 Budget Presentation to Council – Tue, Feb 25, 2025 - 7:00 PM*
- *Proposed FY 2026 Budget Public Presentation to the Public – Thu, Feb 27, 2025 – 7:00 PM*
- BFAAC Regular Meeting – Tuesday, March 18, 2025 – 7:00 PM
- BFAAC Presentation at Budget Work Session #5 – March 26, 2025 – 7:00 PM
- BFAAC Regular Meeting – Tuesday, April 15, 2025 – 7:00 PM
- *FY 2026 Budget Adoption – Wednesday, April 30, 2025 – 6:00 PM*
- BFAAC Regular Meeting – Tuesday, May 20, 2025 – 7:00 PM