

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 24, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
THE HONORABLE SCHOOL BOARD CHAIR AND MEMBERS OF THE SCHOOL BOARD

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)
BUDGET ADVISORY COMMITTEE

SUBJECT: AD HOC JOINT CITY/SCHOOLS FACILITY INVESTMENT TASK FORCE FINAL REPORT

Representatives from the Budget and Fiscal Affairs Advisory Committee (BFAAC) and the School Board's Budget Advisory Committee (BAC) met on March 13, 2018 to continue discussions facilitating cooperation between City and ACPS budget and operations processes. In particular, the meeting focused on the final report of the Ad Hoc Joint City/Schools Facility Investment Task Force (Task Force).

Attendees expressed strong appreciation for the work of the Task Force, and both City and ACPS staff, to produce solid recommendations for Alexandria. Discussion focused on key elements of the report requiring immediate coordination, some of which had been addressed in our September 2017 joint memo. BFAAC and BAC offer this memo to Council and School Board to reinforce the Task Force recommendations, and offer guidance that we hope will be helpful to elected leaders and staff in the coming months.

1. We commend both City and ACPS staff for their efforts supporting the deliberations of the Task Force, and applaud their quick work implementing its recommendations. In particular, steps to begin forming a high level Capital Management Council, and scheduling joint Visioning Sessions will lead toward a status quo environment of joint capital planning and management. **We encourage Council and School Board to welcome the synergies that can emerge from jointly pursuing elements of two strong Strategic Plans through a joint "Capability Delivery Model."**

2. We encourage staff to continue its effort to “inventory” and classify existing assets with regard to condition and usage, utilizing common standards where possible, with the goal of maximizing use of resources. **Opportunity for multiple uses and flexibility should be considered when evaluating the status of our assets and ability to deliver services.**
3. **We support the Task Force recommendation to view “capability delivery” without making assumptions about delivery method or other obstacles that may appear, but to look broadly at the pros and cons of different approaches to arrive at solutions.** We note that at times either permanent or temporary accommodations might be requested in order to achieve long term goals, and encourage School Board and Council to view such requests with an attitude that rewards staff for creativity.
4. **BFAAC and BAC support the Task Force recommendation to decouple the capital and operating budget cycles.** We believe that setting the capital budget in the Fall, and the operating budget in the Spring would afford both School Board and Council the ability to spend more time on each area and ensure the short-term operating needs do not overwhelm the discussion about long-term capital priorities.

We recognize the work that already has been done to synchronize budget calendars, and reinforce the need to continue this effort when building a new process with separate calendars for CIP and operating budgets, including ACPS consideration of 2 year CIP. BFAAC and BAC support the Task Force’s ultimate goal of working together to support delivery of services and capital projects.

5. Regarding the Task Force recommendation to handle later projects differently from near projects in a 10 year projection, BFAAC and BAC **support budgeting funds in the CIP in early years for planning and development, while aggregating funds in later years when project scope is not yet clear.** However, we also recognize that in cases **where project needs and plans are fully established, it is important to rely on funding in out years.** We encourage both ACPS and OMB staff to build discipline into its joint planning and review process to revisit both projected and “finalized” projects each year to ensure they still represent the best way to fulfill identified need and to shift resources as need under guidance of Council and School Board.

6. **BFAAC and BAC support the City Manager’s request to fund research into the feasibility of a combined maintenance and management system (CMMS) for ACPS and City departments, including the Fire Department.** A single CMMS could improve visibility/preventative maintenance; lead to joint procurement and synchronized schedules; and offer ongoing discipline to current assets and new investments. We recognize that in addition to research cost, a positive decision will require additional investment to purchase, customize and switch to new software. However, we believe that the long-term benefits could outweigh these short term costs and encourage the City to move in this direction.

Similarly, **BFAAC and BAC support City investment in planning and facilities staff,** particularly in anticipation of a heavy capital schedule. We encourage City and ACPS to collaborate on planning and implementation of capital projects.

7. **BFAAC and BAC support the Task Force recommendation to create a contingency reserve to enable the City and ACPS to act quickly when acquisition opportunities become available.** We also support the managers approach to fund this in the CIP through reserved bond and cash capital. We understand this will be re-authorized during the regular CIP budgeting process.

As the funds are relatively fluid and accessible, **BFAAC and BAC recommend City and ACPS staff work together to map a project development and proposal process that meets the needs of both entities,** perhaps using “lessons learned” from the recent purchase of 1701 N. Beauregard. We encourage staff to identify potential areas where the process can be streamlined, and urge full transparency and joint consideration at the staff level in all property considerations. Finally, **we suggest the Joint Capital Management Council serve as a final arbiter before any request to access funds is brought to Council or the School Board.**

Once projects are approved, we urge consideration of any steps required to expedite the final process through to completion including reasonable consideration of City codes, in order to control costs and minimize disruption to ongoing operations.

8. **BFAAC and BAC encourage the City to follow the Joint Task Force's recommendation to develop a framework that encourages staff to pursue creative approaches and partnerships.** The new P3 position in the Manager's office should initiate a robust review of similar City efforts in Virginia (the Task Force recommended the City of Falls Church's adopted guidelines as a start) and offer coordination among all departments, including ongoing efforts at ACPS. BFAAC encourages Council to ensure parameters of engagement are consistent with the City's values.

In conclusion, we recognize the ambitious scope of the Task Force recommendations, but believe that long term will result in improved services for Alexandria, and an energized working environment for staff. BFAAC and BAC have confidence in the ability of ACPS and City staff to achieve results with leadership from School Board and Council.

BFAAC and BAC will continue to hold similar meetings, and will be available to offer guidance as requested. We also recognize the important work of other City entities including the Alexandria Economic Development Council to achieving goals established for the future.