

City of Fredericksburg, Virginia

City Council

AGENDA

Council Chambers

715 Princess Anne Street

Fredericksburg, Virginia 22401

Hon. Mary Katherine Greenlaw, Mayor
Hon. William C. Withers, Jr., Vice-Mayor, Ward Two
Hon. Kerry P. Devine, At-Large
Hon. Matthew J. Kelly, At-Large
Hon. Jason N. Graham, Ward One
Hon. Timothy P. Duffy, Ph.D., Ward Three
Hon. Charlie L. Frye, Jr., Ward Four

March 20, 2020

4:00 p.m.

Mary Katherine Greenlaw, Presiding

SPECIAL SESSION

This Meeting is being held in place of the March 24, 2020 Meeting

Agenda

1. **Call To Order**
2. **Invocation**
Councilor Charlie L. Frye, Jr.
3. **Pledge Of Allegiance**
Mayor Mary Katherine Greenlaw
4. **Approval Of Electronic Meeting And Confirming The Declaration Of Local Emergency**
 - A. Resolution 20-___, Approving Meeting By Electronic Communication Means Under Virginia Code §2.2-3708.2

Documents:

[4A APPROVING ELECTRONIC MEETING.PDF](#)

- B. Resolution 20-___, Confirming The City Manager's Declaration Of A Local Emergency Due To COVID-19

Documents:

[4B DECLARING LOCAL EMERGENCY.PDF](#)

5. Presentations

- A. COVID-19 Update – Chief Mike Jones

6. Consent Agenda

- A. Resolution 20-___, Consenting To The Appointment Of Mike Jones As Coordinator Of Emergency Management For The City Of Fredericksburg

Documents:

[6A APPT EMG COORD.PDF](#)

7. City Manager Agenda

- A. Resolution 20-17, Second Read, Amending The Fiscal Year 2020 Budget To Increase The Forecast For Local Option Sales Tax Revenue To Increase General Fund Contingency And Decrease The Budget For Use Of Fund Balance (Staff Recommends Denial)

Documents:

[7A LOCAL OPTION SALES TAX REV.PDF](#)

- B. Resolution 20-___, Assigning Fund Balance In The General Fund For Pandemic Response

Documents:

[7B ASSIGNING GENERAL FUND BALANCE.PDF](#)

- C. Calendar

Documents:

[7C CALENDAR.PDF](#)

8. Adjournment

The City Council Meeting will be a virtual

meeting and the public is encourage to access the meeting though the broadcast on Cox Channel 84 and Verizon Channel 42. The meetings can also be viewed on our www.regionalwebtv.com/fredcc or Facebook live at www.facebook.com/FXBGgov



March 20, 2020
Special Meeting
Resolution 20-

MOTION:

SECOND:

RE: Approving Meeting by Electronic Communication Means Under Virginia Code §2.2-3708.2

ACTION: APPROVED: Ayes: 0; Nays: 0

Fredericksburg City Council has convened in this special meeting conducted by electronic communication means under the authority of Virginia Code §2.2-3708.2. The purpose of this resolution is to state the basis for conducting the meeting under this authority, and to record City Council's approval of same.

On March 12, 2020, Governor Ralph Northam declared a state of emergency in the Commonwealth of Virginia in response to the continued spread of novel coronavirus, or COVID-19. COVID-19 spreads from person-to-person, transmitted via respiratory droplets, and can be spread from an infected person who does not have symptoms to another person. No current vaccine or known treatment options exist at this time. It is unclear at this time when it will be safe to resume in-person City Council meetings, but it is reasonable to conclude that there may be a weeks-long period when it is unsafe to do so.

The nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location. The purpose of this special meeting is to address the emergency. The Clerk of Council gave public notice of this special meeting by electronic communication means using the best available method given the nature of the emergency, which notice was given contemporaneously with the notice provided to the members of the City Council.

Public access to this special meeting is provided via live stream through the City's website, the City's Governmental television channel, and Facebook Live.

The type of electronic communication means by which this meeting is conducted is Go To Meeting app on City iPads.

Therefore, the City Council hereby resolves that:

- Conducting this special meeting through electronic communication means is approved.
- Votes shall be conducted by name in roll-call fashion and included in the minutes.

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 20-, adopted at a meeting of the City Council held March 20, 2020, at which a quorum was present and voted.

Tonya B. Lacey, MMC
Clerk of Council



MEMORANDUM

TO: Mayor Greenlaw and Members of Council
FROM: Timothy J. Baroody, City Manager
RE: Confirming the City Manager’s Declaration of a Local Emergency due to COVID-19 and Ratifying Emergency Order #1
DATE: March 18, 2020 (for March 20 Special Council meeting)

ISSUE

Due to the imminent threat of disaster and danger to public health posed by the spread of the novel coronavirus, designated as COVID-19 the City Manager, as the City’s Director of Emergency Management, issued a Declaration of Local Emergency on March 16, 2020 in response. The City Manager also issued Emergency Order #1 on March 17, 2020. The Code of Virginia §44-146.21 provides that “[i]n the event the governing body cannot convene due to [a] disaster or other exigent circumstances, the [local] director [of emergency services] . . . may declare the existence of a local emergency, subject to confirmation by the governing body at its next regularly scheduled meeting or at a special meeting within 45 days of the declaration, whichever occurs first.” City Code §26-36 reduces the time period for City Council confirmation to 14 days.

RECOMMENDATION

Approve and confirm the Declaration of Local Emergency and ratify Emergency Order #1.

BACKGROUND

Due to the imminent threat of disaster and danger to public health posed by the spread of the novel coronavirus, designated as COVID-19 the City Manager, as the City’s Director of Emergency Management, issued a Declaration of Local Emergency on March 16, 2020 in response. The City Manager also issued Emergency Order #1 on March 17, 2020. The Code of Virginia §44-146.21 provides that “[i]n the event the governing body cannot convene due to [a] disaster or other exigent circumstances, the [local] director [of emergency services] . . . may declare the existence of a local emergency, subject to confirmation by the governing body at its next regularly scheduled meeting or at a special meeting within 45 days of the declaration, whichever occurs first.” City Code §26-36 reduces the time period for City Council confirmation to 14 days.

This special meeting of the City Council is being held to confirm these emergency declarations and other pressing matters.

FISCAL IMPACT

Unknown due to this historic worldwide disaster.

Attachment: Resolution



March 20, 2020
Special Meeting
Resolution 20-__

MOTION:

SECOND:

RE: Confirming the City Manager's Declaration of a Local Emergency Due to COVID-19

ACTION: APPROVED: Ayes: 0; Nays: 0

Governor Ralph S. Northam declared a state of emergency in Virginia in regard to the coronavirus on March 12, 2020, by Executive Order 51 (2020). In this order the Governor directs "state and local governments to render appropriate assistance to prepare for this event, to alleviate any conditions resulting from the situation, and to implement recovery and mitigation operations and activities so as to return impacted areas to pre-event conditions as much as possible."

By virtue of the authority vested in him by Virginia Code §44-146.21 and City Code §26-36, the City Manager, as the City's Director of Emergency Management, issued a Declaration of Local Emergency on March 16, 2020 in response to the imminent threat of disaster and danger to public health posed by the spread of the novel coronavirus, designated as COVID-19. The City Manager issued Emergency Order #1 on March 17, 2020.

COVID-19 spreads from person-to-person, transmitted via respiratory droplets, and can be spread from an infected person who does not have symptoms to another person. No current vaccine or known treatment options exist at this time.

It is unclear at this time when it will be safe to resume City Council meetings with a quorum physically assembled.

The COVID-19 emergency presents a substantial threat to the viability of existing and new local businesses, commercial activity, and economic development in the City, with detrimental impacts on local residents, business owners, business and development prospects, local tax revenue generation, and the safety, health, welfare, convenience, and prosperity of the City and its residents. The City Council will be required to review, approve, or adopt measures related to emergency mitigation, including the City's preparedness, response, and recovery, with respect to all of these impacts.

Virginia Code Title 15.2, Chapter 25, "Budgets, Audits and Reports" requires localities and school divisions to adopt a budget for the upcoming fiscal year between now and June 30, 2020, including a required public hearing under §15.2-2506. The adoption of the fiscal year budget is critical to the continuity of local government, the public schools, governmental agencies, and partner agencies, all of which will be critical to the public health and welfare during and after the COVID-19 emergency, including all phases of emergency mitigation, preparedness, response, and recovery.

Additional state laws, the nature of the COVID-19 emergency, the interest in continuity of government, continued economic activity and economic development; and good governing practices will continue to require actions of the City Council.

Therefore, the City Council hereby resolves that:

- Pursuant to §44-146.21 of the Code of Virginia, as amended, and City Code §26-36, City Council hereby confirms the Declaration of Local Emergency issued by the City Manager, in his capacity as the City's Director of Emergency Management, on March 16, 2020, a copy of which is attached to this resolution as Exhibit A and incorporated herein by reference.
- City Council hereby ratifies City of Fredericksburg Emergency Order #1 In Response to COVID-19, which was issued by the City Manager on March 17, 2020, attached to this resolution as Exhibit B and incorporated herein by reference.
- City Council directs and authorizes the City Manager to continue to take lawful emergency actions and issue lawful emergency orders in response to the COVID-19 emergency to protect the public health and welfare.

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 20-__, adopted at a meeting of the City Council held March 20, 2020, at which a quorum was present and voted.

Tonya B. Lacey, MMC
Clerk of Council



DECLARATION OF LOCAL EMERGENCY FOR THE CITY OF FREDERICKSBURG

In December 2019, a novel coronavirus, now designated COVID-19, was detected in China. Since that time, the disease has spread to more than 100 locations worldwide, including the United States, and multiple positive cases have emerged in Virginia.

The World Health Organization has declared COVID-19 a “public health emergency of international concern,” and on January 31, 2020, the United States Department of Health and Human Services declared a national public health emergency.

Virginia Governor Ralph Northam declared a state of emergency in the Commonwealth of Virginia in response to the continued spread of COVID-19 on March 12, 2020.

Symptoms from COVID-19 include fever, cough, and shortness of breath, and can be severe, particularly for elderly populations and those who are at risk due to preexisting conditions.

The presence of COVID-19 in the region constitutes an increased threat to public health that has potential to be of sufficient severity and magnitude to warrant a timely coordinated response to mitigate the spread of the disease.

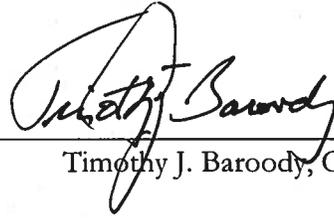
THEREFORE, I Timothy J. Baroody, City Manager of the City of Fredericksburg, Virginia, hereby declare that a state of emergency exists in Fredericksburg, Virginia, and I hereby invoke and declare in full force and effect in Fredericksburg, Virginia, all laws and statutes of the Commonwealth of Virginia for the exercise of all necessary emergency authority for the protection of health and safety of the persons and property of Fredericksburg, Virginia.

This local emergency is declared pursuant to the “Commonwealth of Virginia Emergency Services and Disaster Law of 2000,” Virginia Code § 44-146.13, *et seq.* In accordance with these provisions:

All public officials and employees of Fredericksburg, Virginia are hereby directed to exercise the utmost diligence in discharge of the duties required of them for the duration of the emergency and in the execution of emergency laws, regulations, and directives, state and local.

All citizens are called upon and directed to comply with emergency measures, to cooperate with the City of Fredericksburg Coordinator of Emergency Management in the execution of emergency operational plans, and to comply with the lawful directions of properly identified public officials.

Ordered this 16 day of March, 2020.



Timothy J. Baroody, City Manager



CITY OF FREDERICKSBURG EMERGENCY ORDER #1

IN RESPONSE TO COVID-19

On March 12, 2020, Governor Ralph Northam declared a state of emergency in response to the continued spread of novel coronavirus, COVID-19, a communicable disease posing an immediate threat to public health. On March 16, 2020, the City of Fredericksburg, finding that a local emergency exists, issued a Declaration of Local Emergency to invoke emergency authority to protect the health and safety of all persons in the City.

On March 16, 2020, President Donald J. Trump advised all Americans to take measures to limit the spread of the disease by avoiding groups of more than 10 persons. Today, Governor Northam followed suit by directing all businesses and restaurants in the Commonwealth to abide by federal guidelines to avoid gatherings of 10 or more.

In accordance with the guidance issued by federal and state authorities and to protect public health, safety and welfare by mitigating the spread of COVID-19, it is necessary to limit the occupancy of gathering places within the City.

Therefore, by virtue of the authority vested in Fredericksburg City Manager and Director of Emergency Management Timothy J. Baroody pursuant to Fredericksburg City Charter Section 22(G), Virginia Code §44-146.21, Fredericksburg City Code §26-32 *et seq.*, and the Declaration of Local Emergency for the City of Fredericksburg dated March 16, 2020, in coordination with the Virginia Department of Emergency Management pursuant to Virginia Code §44-146.18, in consultation with and with the support of Dr. Denise Bonds, MD, MPH, Acting Director of the Rappahannock District Health Department, and in accordance with the recommendations issued by Mary Washington Healthcare in a letter dated March 16, 2020, it is hereby ordered that:

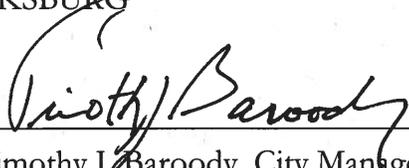
The following emergency regulations and orders shall be effective as of 5:00 p.m. on March 17 2020, to preserve life and protect health in the City of Fredericksburg. The following emergency regulations have the power of law and shall remain in effect until 11:59 p.m. on Tuesday, March 31, 2020, and shall supersede all conflicting laws

during the existence of this emergency, with the exception of more restrictive rules or regulations issued by order of the Governor of the Commonwealth.

1. Dine-in service at all restaurants, coffee shops, cafeterias, cafés, and other eating establishments serving food or beverages within the City of Fredericksburg, including all indoor and outdoor spaces, shall be limited to occupancy of no more than 10 persons. All parties must be seated and separated at a distance of at least 6 feet apart from other patrons in accordance with social distancing recommendations of the Centers for Disease Control and Prevention. This order does not forbid otherwise lawful drive-through, take-out or delivery services. A copy of this order or a sign conveying the closure information shall be conspicuously posted by the owner, operator, manager, or other person having control of an establishment subject to this order. This regulation does not apply to grocery stores, pharmacies, or hospitals.
2. All indoor social, community, recreational, concerts, conferences, and sporting events and other gatherings of 10 people or more are prohibited at all locations and venues, including but not limited to expos, conventions, auditoriums, theaters, large conference rooms, meeting halls, and event spaces.

The Fredericksburg Police Department and Fire Marshal are responsible for enforcing this order. Under City Code §26-34, it is unlawful to refuse or neglect to obey any rules and regulations as proclaimed by the director of emergency management.

CITY OF FREDERICKSBURG

By: 
Timothy J. Baroody, City Manager

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF VIRGINIA, to-wit:

I, BRENDA T. MARTIN, a notary public for the city or county aforesaid, in the Commonwealth of Virginia, do certify that Timothy J. Baroody, whose name is signed to the writing above bearing date on the 17 day of

MARCH, 2020, has acknowledged the same before me in my county or city aforesaid.

Given under my hand this 17 day of MARCH, 2020.

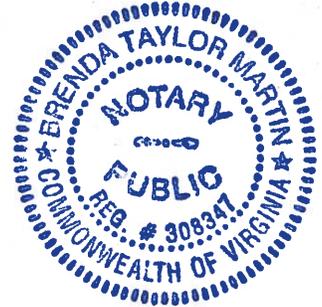
My commission expires: JULY 31, 2021

[seal]

Notary registration no.: 308347

Brenda T. Marti

Notary Public





MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Edwin Allen, Fire Chief
RE: Consenting to the Appointment of Michael Jones as Coordinator of Emergency Management for the City of Fredericksburg
DATE: March 18, 2020 (for March 20 Special Council meeting)

ISSUE

Fire Chief Edwin (Eddie) Allen who serves as the current Fredericksburg Coordinator of Emergency Management is retiring effective March 31, 2020.

RECOMMENDATION

City Council should approve the resolution as submitted that consents to the appointing of current Deputy Fire Chief Michael (Mike) Jones as the City's Coordinator of Emergency Management.

BACKGROUND

Every locality shall have a coordinator of emergency management who shall be appointed by the Director of Emergency Management with the consent of the governing body. Fire Chief Edwin (Eddie) Allen who serves as the current Fredericksburg Coordinator of Emergency Management is retiring effective March 27, 2020. Michael (Mike) Jones is the current Deputy Fire Chief and in December 2019 was appointed by the City Manager to be the new Fire Chief effective March 28, 2020.

The City Council is asked to consent to the new appointment.

FISCAL IMPACT

None.

Attachment: Resolution



March 20, 2020
Regular Meeting
Resolution 20-

MOTION:

SECOND:

RE: Consenting to the Appointment of Mike Jones as Coordinator of Emergency Management for the City of Fredericksburg

ACTION: APPROVED: Ayes: 0; Nays: 0

Code of Virginia §44-146.19 provides that every locality shall have a coordinator of emergency management, who shall be appointed by the Director of Emergency Management with the consent of the governing body.

In accordance with the Commonwealth of Virginia Emergency Services and Disaster Law of 2000 (Code of Virginia §44-146.13 et seq., as amended) City Council, by adoption of City Code §26-32, appointed the City Manager as Director of Emergency Management.

By virtue of the authority vested in him by Virginia Code §44-146.19 and City Code §26-33, the City Manager, as the City's Director of Emergency Management, wishes to appoint Deputy Fire Chief Michael (Mike) Jones as the City's Coordinator of Emergency Management.

Therefore, the City Council hereby resolves that pursuant to Virginia Code §44-146.19 and City Code §26-33, City Council hereby consents to the appointment of Mike Jones as the Coordinator of Emergency Management for the City of Fredericksburg, Virginia.

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 20-, adopted at a meeting of the City Council held March 20, 2020, at which a quorum was present and voted.

***Tonya B. Lacey, MMC
Clerk of Council***



MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Mark Whitley, Assistant City Manager
RE: Amending FY 2020 Budget to Recognize Revenue for Various Purposes
DATE: {Update: March 20, 2020} March 10, 2020 (for the March 10 Council Meeting)

ISSUE

Shall the City Council amend the FY 2020 Budget to recognize additional revenue and allocate it to the General Fund contingency and various purposes?

RECOMMENDATION

Yes. Staff recommends that the City Council approve the attached resolution, on first reading. The resolution will require two readings for final approval.

{UPDATE: Staff recommends voting NO on second reading, based on the rapidly changing situation and response to the COVID-19 pandemic.}

BACKGROUND

Background Report – Second Reading

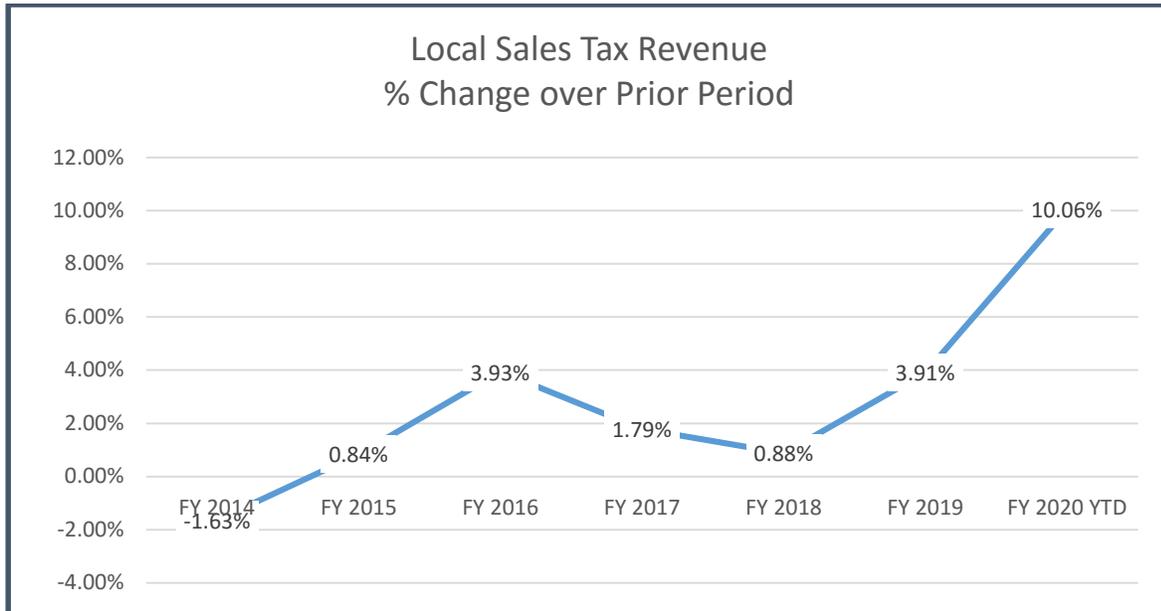
{The COVID-19 pandemic, and the Social Distancing measures taken in response, will have a negative impact on a variety of City business revenues – including sales tax, meals tax, lodging tax, admissions tax, and others. The last several months of sales tax collections for the City will be impacted by the social distancing, and the attached resolution is not recommended given the changing circumstances.}

Background Report for First Reading

The City of Fredericksburg has experienced an increase in growth in sales tax revenue over the past eighteen months – particularly so in the last three months of FY 2019 and the first six months of FY 2020.

The average growth in the sales tax from FY 2014 to FY 2018 was fairly slow, averaging 1.16% per year over that time frame, and varying between negative 1.63% and a positive 3.93%. The sales tax in FY 2019 totaled \$11,925,147, and grew a total of 3.91% over FY 2018's final receipts of \$11,476,687. However, the last three months of FY 2019 increased 6.29% over the last three months of FY 2018.

That trend of increased receipts has only increased in FY 2020, with an average of 10.06% growth in receipts over the first six months of FY 2019. Sales tax receipts are on pace at this point to exceed the budget estimate for FY 2020, which is \$11,700,000, by a substantial amount. This should be true even if the economy slowed significantly from this point to the end of the fiscal year.



The attached resolution proposes to recognize \$600,000 of additional sales tax revenue, which would raise the sales tax budget forecast for FY 2020 to a total of \$12,300,000. The proposed uses of these funds is as follows:

- 1) Increase the General Fund Contingency by \$200,000. The City has amended the budget for FY 2020 several times in the last few months, notably to add positions during the mid-year and to respond to a need to increase public safety compensation, and the General Fund Contingency in FY 2020 is now at \$20,910. The staff recommends adding this amount to Contingency to preserve the ability to meet unexpected expenditures for the final four months of this fiscal year.
- 2) Decrease the use of the Jail Stabilization Reserve by \$200,000. The FY 2020 budget used \$635,000 of the Jail Stabilization Reserve to help offset increases in costs for the detention centers in the FY 2020 budget, in accordance with the policy governing this reserve. This will reduce the potential use of the Jail Stabilization Reserve to \$435,000 in the current fiscal year.
- 3) Decrease the use of the Fund Balance assigned for Capital by \$200,000. The City budgeted the use of \$3,023,000 in fund balance assigned for capital in the FY 2020 budget. This action would reduce the potential use of the Fund Balance assigned for Capital to \$2,823,000.

The Jail Stabilization Reserve policy would require a contribution to the Jail Reserve in FY 2021 based on the fact that the contribution to those facilities for the City are recommended to decrease in FY 2021. The FY 2021 contribution is \$226,978 lower than the required contribution for FY 2020, which would normally require that the City set aside \$113,489 in FY 2021 to add to this reserve. The staff proposes that this use of sales tax revenue in FY 2020 offset the FY 2021 required contribution, which helps to balance the FY 2021 budget.

FISCAL IMPACT

None of the three uses of the sales tax revenues create additional expenditures – the Contingency could be expended later, if the need arose, while the reduction of fund balance usage will preserve those resources for future fiscal years.

If the attached resolution is approved, the General Fund Contingency will become \$220,910.

The table below shows the impact of the use of the sales tax revenue to offset the use of fund balance in the attached resolution.

	Jail Stabilization Reserve	Assigned for Future Capital
FY 2019 EOY	1,571,004	5,188,550
FY 2020 Original Budgeted Use	(640,000)	(3,023,000)
Original Minimum Remaining FY 2020	931,004	2,165,550
<hr/>		
FY 2020 Amended Budgeted Use	(440,000)	(2,823,000)
Amended Minimum Remaining FY 2020	1,131,004	2,365,550

It is important to remember that the actual use of fund balance depends upon the final results of the fiscal year – the actual revenues and the actual expenditures. If actual revenues exceed the budget forecast, and actual expenditures are less than budgeted, then less fund balance will be used than planned.

cc: Robyn Shugart, Director of Finance



MOTION:

March 10, 2020
Regular Meeting
Resolution 20-17

SECOND:

RE: Amending the Fiscal Year 2020 Budget to Increase the Forecast for Local Option Sales Tax Revenue to Increase General Fund Contingency and Decrease the Budget for Use of Fund Balance

ACTION: APPROVED: Ayes: 0; Nays: 0

FIRST READ: March 10, 2020 **SECOND READ:** _____

The City of Fredericksburg receives funds collected by the Commonwealth for the local option sales and use tax. These revenues have increased in recent months, and are on track to exceed the budget forecast for this revenue.

The City needs to add funds to the General Fund Contingency to allow for any further contingencies for the remainder of FY 2020. The City Council also wishes to utilize a portion of the sales tax revenue to decrease the planned uses of fund balance in the General Fund for capital projects and for jail stabilization.

Therefore, the City Council hereby resolves that the following appropriation amending the FY 2020 budget be recorded:

GENERAL FUND (FUND 0100)

Source

Local Sales and Use Tax

Local Sales and Use Tax	0100-312010	\$	600,000
Department Total:		\$	<u>600,000</u>

Total Source: \$ 600,000

Use

Contingency

General Fund Contingency	0100-499100	\$	200,000
Department Total:		\$	<u>200,000</u>

Fund Balance

Committed for Future City Capital	0100-361012	\$	200,000
Assigned for Detention Stabilization	0100-361030		<u>200,000</u>
Department Total:		\$	<u>400,000</u>

Total Use: \$ 600,000

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 20-17, adopted at a meeting of the City Council held _____ 2020, at which a quorum was present and voted.

Tonya B. Lacey, MMC
Clerk of Council



MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Mark Whitley, Assistant City Manager
RE: Resolution Assigning General Fund Balance to Pandemic Response
DATE: March 17, 2020

ISSUE

Shall the City Council assign fund balance in the General Fund to help meet the challenges of the current Covid-19 pandemic?

RECOMMENDATION

Staff recommends adoption of the attached resolution, which requires one reading.

BACKGROUND

The City of Fredericksburg is responding to a global pandemic related to a new version of coronavirus. The coronavirus infection is known as “COVID-19.” The easy transmission of the new virus and the severity of the illness for a subset of those infected have created a public health emergency situation.

The World Health Organization has designated the “COVID-19” as a global pandemic. The federal government, state government, and City government have all in declared states of emergency involving various measures to fight the pandemic.

The major strategy currently in use to slow the spread of the disease is known as “social distancing.” The measures in place to keep people apart from one another – cancelling large gatherings and events, remote working, closing schools, etc. – are intended to slow the spread of the disease so our health system is not overwhelmed.

These measures will also have a major impact on the City’s finances. Large portions of City revenues come from businesses centered around social activity, such as meals tax, lodging tax, sales tax, and admissions tax. These revenue streams will begin to decline as the “social distancing” measures reduce their ability to operate.

The City will also need to undertake active measures to respond to the “COVID-19” pandemic. The City’s additional expenditures may eventually be reimbursed to some degree by the federal government through FEMA, but there is often a local match and a delay in receiving such funds. The City may also find it wise to take measures that would fall outside of FEMA reimbursement policies.

The attached resolution is an effort to prepare for the loss of revenue related to the pandemic and the possibility of additional expenditures, in both the current FY 2020 budget and the upcoming FY 2021 budget.

FISCAL IMPACT

There is no question that the COVID-19 pandemic and the measures underway to promote social distancing will have a negative impact on the City's finances – as with much of our community.

As of the close of FY 2019, the City's Unassigned Balance in the General Fund is \$18,246,141. The City Council authorized the use of \$500,000 of Unassigned Fund Balance for FY 2020, in the original FY 2020 budget. Budget amendments to account for ongoing projects have increased that total to \$596,756. The fund balance that is available to Assign, that has not already been appropriated, is therefore \$17,649,385.

The attached resolution would assign \$2,000,000 for the City's use for spending related to the pandemic or as a source for continuing operations as revenue collections decrease. The following table shows the activity for the Unassigned General Fund Balance, including the \$2,000,000 assignment in the attached resolution. The City Council's policy target of at least 12% of prior year revenue is still met. Actual use of unassigned fund balance in FY 2020 would vary depending upon results at the close of the fiscal year.

Unassigned General Fund Balance	
FY 2019	\$18,246,141
FY 2020 (Budgeted)	(\$596,756)
Attached Resolution	(\$2,000,000)
Unassigned & Unbudgeted	\$15,649,385
FY 2019 Revenue	\$95,938,754
Policy Test % of Prior Year Revenue	16.31% (Current Policy sets target at least 12%)

The following table places the Unassigned Balance in the General Fund in the context of the overall balance sheet for the General Fund. The Unassigned Balance has been marked in blue font.

General Fund Balance Budgeted Activity & Assignments – FY 2020

General Fund	FY 2019	FY 2020 Budget As Amended	Attached Resolution	FB Net of FY 2020 Appropriations and Attached Resolution
<i>Non-spendable</i>				
Inventory	\$27,863	\$ -	\$ -	\$27,863
Pre-paids	\$434,060	\$ -	\$ -	\$434,060
<i>Restricted</i>	\$ -	\$ -	\$ -	\$ -
<i>Committed</i>				
City Capital Projects	\$5,188,550	(\$3,523,000)	\$ -	\$1,665,550
School Capital Projects	\$1,000,000	\$ -	\$ -	\$1,000,000
Health Insurance Claims	\$800,000	\$ -	\$ -	\$800,000
Other Purposes	\$573,626	(\$573,626)	\$ -	\$ -
<i>Assigned</i>				
Detention Stabilization	\$1,571,004	(\$635,000)	\$ -	\$936,004
Economic Development Opportunities	\$75,000	\$ -	\$ -	\$75,000
Telling Our Story	\$250,000	\$ -	\$ -	\$250,000
<i>Unassigned</i>	\$18,246,141	(\$596,756)	(\$2,000,000)	\$15,649,385
Total GF Balance	\$28,166,244	(\$5,328,382)	(\$2,000,000)	\$20,837,862

Actual use of fund balance in FY 2020 would vary depending upon results at the close of the fiscal year.

Attachment: Resolution



March 20, 2020
Regular Meeting
Resolution 20-__

MOTION:

SECOND:

RE: Assigning Fund Balance in the General Fund for Pandemic Response

ACTION: APPROVED: Ayes: 0; Nays: 0

The City of Fredericksburg is responding to a global pandemic related to a new version of coronavirus. The coronavirus infection is known as "COVID-19." The easy transmission of the new virus and the severity of the illness for a subset of those infected have created a public health emergency situation.

The World Health Organization has designated the "COVID-19" as a global pandemic. The federal government, state government, and City government are all in declared states of emergency to assist with various measures to fight the pandemic.

The finances of the City will be impacted by these events. Revenues for the City will be curtailed as a result of the "Social Distancing" policies needed to slow the spread of the virus. In addition, the City will need to undertake active measures to respond to the pandemic.

The City Council wishes to Assign Fund Balance in the General Fund to allow for Pandemic Response.

Now, therefore, be it resolved by the City Council that \$2,000,000 of Unassigned Fund Balance is assigned to the purpose of Pandemic Response, effective immediately.

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 20-xx, adopted at a meeting of the City Council held _____ 2020, at which a quorum was present and voted.

Tonya B. Lacey, MMC
Clerk of Council



**CITY COUNCIL
MEETINGS & EVENTS CALENDAR**

City Hall Council Chambers, 715 Princess Anne Street, Fredericksburg, VA 22401

3/20/20	4:00 p.m.	Special Called Council Meeting <ul style="list-style-type: none"> • Confirm Declaration of Local Emergency and to take care of unfinished business • No public comment period and public encouraged to watch meeting on cable channel, our website or Facebook Live 	Council Chambers
3/24/20		NO Council Meeting or Work Session	
4/7/20	6:00 p.m.	Joint Work Session with School Board (tentative)	TBD
4/14/20	5:30 p.m.	Work Session <ul style="list-style-type: none"> • FY 21 Budget Overview & CIP 	Suite, Room 218
	7:30 p.m.	Regular Session	Chambers
4/21/20	5:30 p.m.	Work Session <ul style="list-style-type: none"> • FY 21 Budget Discussion 	Suite, Room 218
	7:00 p.m.	FY 21 Budget Public Hearing	Chambers
4/28/20	5:30 p.m.	Work Session	Suite, Room 218
	7:30 p.m.	Regular Session	Chambers
5/12/20	5:30 p.m.	Work Session	Suite, Room 218
	7:30 p.m.	Regular Session	Chambers

Future Work Session Topics: Economic Development Incentives, Action on UDO Text Amendment from 2018: Paying Taxes at Approval Instead of Application, and New FEMA Flood Plain Maps.