

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

April 7, 2020

4:00 p.m.

Mary Katherine Greenlaw, Presiding

### \*\*\*SPECIAL SESSION\*\*\*

**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](http://www.regionalwebtv.com/fredcc) or Facebook live at [www.facebook.com/FXBGgov](https://www.facebook.com/FXBGgov)**

1. Call To Order

2. Invocation

Councilor Matthew J. Kelly

**3. Pledge Of Allegiance**

Mayor Mary Katherine Greenlaw

**4. Approval Of Electronic Meeting And Continuity Of Government**

- A. Resolution 20-\_\_\_, Approving Meeting By Electronic Communication Means Under Virginia Code §2.2-3708.2

Documents:

[4A ELECTRONIC MEETING.PDF](#)

- B. Ordinance 20-\_\_\_, First And Second Read, Addressing Continuity Of City Government During The Pendency Of A Pandemic Disaster

Documents:

[4B CONTINUITY OF GOVT.PDF](#)

**5. Presentations**

- A. COVID-19 Update – Chief Mike Jones

- B. Budget Update And Options For Fiscal Year 2020 And Revised Budget Calendar For Fiscal Year 2021

Documents:

[5A BUDGET FY2020 IMPACTS.PDF](#)

**6. City Manager Agenda**

- A. Resolution 20-\_\_\_, Appropriating \$50,000 From The Economic Development Opportunity Fund To The Fredericksburg Economic Development Authority (EDA) For A Business Relief Grant Program

Documents:

[6A EDA EMG BUS RELIEF.PDF](#)

- B. Postponement Of Various Tax Deadlines

- Ordinance 20-\_\_\_, First and Second Read, Extending the Due Dates for Payment of Admissions, Lodging, and Meals Taxes Due to the COVID-19 Public Health Emergency

- Ordinance 20-\_\_\_, First and Second Read, Extending the May 15 Due Date for Fiscal Year 2020 Personal Property Taxes

Documents:

[6B VARIOUS TAX DEADLINES.PDF](#)

C. Ordinance 20-\_\_\_, First Read, General Reassessment

Documents:

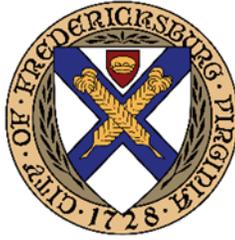
[6C GENERAL REASSESSMENT.PDF](#)

D. Resolution 20-\_\_\_, Approving An Emergency Appendix To The Unified Development Ordinance Procedures Manual Relating To Commercial Temporary Signs

Documents:

[6D EMG SIGN APPENDIX.PDF](#)

**7. Adjournment**



April 7, 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(A)(3). 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.

On March 30, 2020, Governor Northam issued Executive Order #55, ordering Virginians to stay at home.

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.

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:**

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***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 special meeting of the City Council held April 7, 2020, held by electronic communication means, at which a quorum was present and voted.*

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



**MEMORANDUM**

**TO:** Fredericksburg City Council

**FROM:** Kathleen Dooley, City Attorney  
Dori Martin, Assistant City Attorney

**DATE:** April 2, 2020

**RE:** Continuity of Government during the COVID-19 Pandemic

**Issue:**

Should the City Council adopt an ordinance to assure continuity of government during the COVID-19 pandemic?

**Recommendation:**

Yes. COVID-19 presents a threat to public health unlike any the City has experienced in recent history. During the current state of emergency, it is crucial to take all necessary steps to ensure that City government can continue to conduct business, perform its essential functions, and provide quality services to the public.

The existing framework for conducting government business in physical, in-person meetings that are open to public attendance does not contemplate a pandemic like the one we are experiencing. The directives that have been issued by the Governor in recent weeks limiting gatherings of people have presented a challenge for local government to figure out a way to operate with transparency and openness, while respecting the restrictions the Governor has put in place to slow the spread of the virus within our community.

This ordinance provides a solution by setting up a temporary framework that would allow the City Council and other City and regional bodies to continue to function in these special circumstances by holding electronic meetings and hearings when they deem it necessary to ensure the continuity of government.

**Background:**

On March 12, 2020, Governor Ralph S. Northam issued Executive Order 51 declaring a state of emergency for the Commonwealth of Virginia in response to the novel coronavirus (COVID-19) pandemic. The City Manager, as the City's Director of Emergency Management, pursuant to City Code § 26-36 and Virginia Code § 44-146.21, issued a Declaration of Local Emergency on March 16, 2020

## **ITEM #4B**

in response to the imminent threat of disaster and danger to public health posed by the spread of the disease. This declaration was affirmed by City Council at a special meeting on Friday, March 20, 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. On March 23, 2020, in response to the ongoing spread of the virus, Governor Ralph S. Northam issued Executive Order #53, which significantly limits person-to-person contact to prevent community spread. On March 29, 2020, President Trump announced that federal social distancing guidelines limiting in-person gatherings to no more than 10 people assembled in a single location would be in place until April 30, 2020. Most recently, on March 30, 2020, the governor issued a stay-at-home order for all individuals in the Commonwealth, effective until June 10, 2020.

The Virginia Freedom of Information Act requires meetings of public bodies to be conducted in public and in person. This requirement is at odds with the safety directives that have been issued at the state and federal levels to limit in-person contact, particularly in confined spaces. Accordingly, while conditions make it unsafe to gather in one location, special procedures should be considered to allow for public meetings to be held remotely, using electronic communications technology to connect public bodies with the community.

Additionally, the disaster caused by the spread of COVID-19 may make it impracticable for City government to meet all regular deadlines and comport with some time-consuming rules, formalities, and procedures. However, government must take measures to ensure it can continue to perform essential functions and provide services to the public to the extent possible.

This ordinance uses the authority provided by Virginia Code § 15.2-1413 to craft methods and special procedures that will ensure the continuity of City government through the end of this disaster. To that end, it includes provisions for remote meetings and suspends certain deadlines and procedures. This approach was endorsed in a March 20 opinion from Attorney General Mark Herring, which states that local actions can be taken under that statute “in light of the ongoing emergency, ‘[n]otwithstanding any contrary provision of law, general or special,’ including VFOIA.”

The City values transparency in government and robust public participation. However, the emergency measures put in place by the Governor to mitigate the spread of COVID-19 are needed to protect the health and safety of our community. By enabling public meetings to continue remotely, Council can take responsible measures to protect the public, while incorporating openness and public input, and keeping our City government working through this emergency.

**Fiscal Impact:** None



April 7, 2020  
Special Meeting  
Ordinance No. 20-\_\_

**MOTION:**

**SECOND:**

**RE:** An Ordinance to Address Continuity of City Government During the Pendency of a Pandemic Disaster

**ACTION:** APPROVED; Ayes: 0; Nays: 0

**FIRST READ:** \_\_\_\_\_ **SECOND READ:** \_\_\_\_\_

IT IS HEREBY ORDAINED by the Fredericksburg City Council:

**Article I. Purpose.**

On March 12, 2020, Governor Ralph S. Northam issued Executive Order 51 declaring a state of emergency for the Commonwealth of Virginia in response to the novel coronavirus (COVID-19) pandemic. The City Manager, as the City's Director of Emergency Management, pursuant to City Code § 26-36 and Virginia Code § 44-146.21, 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 disease. This declaration was affirmed by City Council at a special meeting on Friday, March 20, 2020.

On March 23, 2020, Governor Ralph S. Northam issued Executive Order #53, which acknowledged the ongoing threat COVID-19 presents to our communities, prompting the need to significantly limit person-to-person contact to slow the spread of the virus. Consequently, this order limits in-person gatherings to no more than 10 people assembled in a single location. The Governor expanded on this directive by issuing Executive Order #55, a "stay-at-home order," on March 30, which will remain in effect until June 10, 2020.

City Council, in Resolution 20-21 confirming the Declaration of Local Emergency, acknowledged that COVID-19 is a communicable disease that presents a real and substantial threat to public health. The Council finds that the severity of this threat constitutes a "disaster" as defined by Virginia Code § 44.1-146.16.

Virginia Code § 15.2-1413 provides that a locality may, by ordinance, provide a method to assure continuity of government in the event of a disaster, notwithstanding any contrary provision of law, for a period not to exceed six months after any such disaster. The Attorney General of Virginia confirmed this authority in an opinion issued March 20, 2020. This emergency ordinance, which is enacted pursuant to Virginia Code § 15.2-1413, and which City Council deems necessary to ensure continuity of City government during the disaster caused by the COVID-19 pandemic, promotes public health, safety, and welfare and is consistent with the laws of the Commonwealth of Virginia, the Constitution of Virginia, and the Constitution of the United States of the America.

## **Article II. Rules and Procedures.**

**Section 1. Succession to Preside over Meetings.** In the event that both the Mayor and Vice-Mayor are unavailable to participate in a meeting of City Council due to any reason, including illness, isolation, or quarantine, the participating members of Council shall elect a presiding officer *pro tem* to execute the duties of presiding at that meeting.

**Section 2. Quorum.** Notwithstanding any other provision of law, if a number of members of Council are unavailable to participate in a meeting due to reasons associated with COVID-19, including illness, isolation, or quarantine, and the absence of those members leaves fewer members than the number required by law to act, the remaining member or members shall constitute a quorum for the conduct of business and have authority to act by majority vote.

**Section 3. Suspension of City Code Chapter 2, Article II Rules and Procedures.** The following sections in Chapter 2 (Administration), Article II (City Council), of the Fredericksburg City Code are hereby suspended.

3-1. Section 2-39, Order of Business at Regular Meetings. Requirements that the format of Council agendas shall be set by resolution and shall include a consent agenda are hereby suspended to allow for modifications of the agenda format as needed by the City Clerk.

3-2. Section 2-44, Procedure for Adoption of Ordinances and Resolutions. Requirements for second readings of ordinances and certain resolutions are hereby suspended to allow the second readings of those ordinances and resolutions to be held on the same day and at the same meeting as their introductions.

3-3. Section 2-52 Members Leaving before Adjournment. Requirement that members entered as present shall not, without leave of the presiding officer leave a meeting until the meeting is

adjourned is hereby suspended to permit unannounced absences due to emergency, or, in the case of an electronic meeting, due to technical difficulty.

**Section 4. Suspension of Deadlines.** City personnel are encouraged to take action as is practical and appropriate to meet deadlines established under state law or city ordinance; however, notwithstanding any provision of law, regulation, or policy to the contrary, any deadlines requiring action by the City, its officers, including the Commissioner of Revenue and Treasurer, City employees, or any Public Entity as defined in Article III, below, are suspended. Time frames for review or expedited reviews are also suspended. Failure to meet any deadline or time frame will not constitute a default, violation, approval, ratification, or recommendation.

**Section 5. Suspension of Inconsistent Policies.** Any other rules, bylaws, or policies adopted by the City Council or any other Public Entity are hereby suspended to the extent they are inconsistent with this ordinance and its authorizations.

**Article III. Remote Public Meetings.**

**Section 1. Purpose and Findings.** Council finds that the COVID-19 pandemic makes it unsafe to physically assemble in one location a quorum for public bodies, including the Council, the School Board, the Planning Commission, Board of Zoning Appeals, Architectural Review Board, Economic Development Authority, the Rappahannock Regional Solid Waste Management Board, and all other local and regional boards, commissions, committees and authorities created by the Council or to which the Council appoints all or a portion of its members (collectively “Public Entities” and individually “Public Entity”), or for such Public Entities to conduct meetings in accordance with normal practices and procedures.

**Section 2. Remote Meetings Authorized.**

2-1. Any regularly scheduled or regular meeting of any Public Entity may be canceled by the chair if there is no essential business that needs to occur or if conditions otherwise make it impractical to meet. Notice of the cancellation must be provided to the Public Entity’s members and the public as soon as practicable.

2-2. Any meeting or activities which require the physical presence of members of the Public Entities may be held through real-time electronic means, including audio, telephonic, video, or other practical electronic medium, without a quorum physically present in one location.

2-3. Prior to holding a remote meeting in accordance with this Article, the Public Entity shall provide public notice at least 3 days in advance of the remote meeting, or, in the case of a special or emergency meeting, in accordance with applicable special notice requirements. Such notice shall include a statement that the meeting is being held through electronic means, and identify how the public may access the meeting and, if applicable, offer comment.

2-4. Any such remote meeting shall be closed to in-person public attendance and open to electronic public access. Public access for City Council meetings shall, when feasible, include live broadcast available on all City public access television channels, the City website, and the City Government Facebook page. Additional methods may be used. Other Public Entities shall require public access consistent with their capabilities.

2-5. Any remote meeting held pursuant to this Article shall state on its agenda and at the beginning of the meeting that it is being held pursuant to and in compliance with this Ordinance; identify Public Entity members physically and/or electronically present; identify the persons responsible for receiving public comment, if applicable; and identify notice of the opportunities for the public to access such electronic meeting.

2-6. Any Public Entity holding a meeting remotely pursuant to this Article, for which a public comment period would be provided if that meeting were held in person, may provide a method for soliciting public comment in advance of or during the meeting. All such public comments will be provided to members of the Public Entity at or before the electronic meeting and made part of the record for such meeting.

### **Section 3. Remote Public Hearings Authorized.**

3-1. Non-emergency public hearings may be postponed to a future date, when a regular meeting can be held with a quorum of the Public Entity physically present. The Clerk of Council is authorized to reschedule public hearings and provide notice as appropriate.

3-2. Public hearings on essential business that needs to occur, may be held in accordance with the requirements of this section.

3-3. The Public Entity shall open the public hearing comment period, receive any comments that may have been submitted in advance, and continue the matter to its next meeting.

3-4. Public comments may be received in writing up to 1 hour prior to the next meeting, addressed to the Clerk of Council or other official designated by the Public Entity, by U.S. Mail, e-mail, or hand delivery to the drop box located by the front door of City Hall; and by additional methods identified by the Public Entity and included in the meeting notice in accordance with Section 2 of this Article.

3-5. Public Comments shall be compiled by the Clerk of Council, or other official designated by the Public Entity to receive comments, and delivered to each member of the Public Entity for review at or before the meeting at which the matter is scheduled to be concluded. All comments shall be made part of the meeting record.

**Section 4. Minutes of Meetings.**

4-1. Minutes of all remote meetings held pursuant to this Article shall (1) state that it is being held pursuant to and in compliance with this Ordinance, (2) identify the specific electronic means by which the meeting was conducted and which members participated, and (3) specify the methods by which the public was given the opportunity to access the meeting and provide comment.

4-2. Minutes shall otherwise conform to the requirements of law.

4-3. The Public Entities may approve minutes of an electronic meeting at a subsequent electronic meeting and shall later approve all such minutes at a regular or special meeting after the disaster has ended.

**Article IV. Effective date; Expiration.**

This ordinance is effective immediately and shall remain in full force and effect, unless amended, readopted, or repealed by City Council, for a period not exceeding 6 months after the end of the COVID-19 disaster.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

Approved as to form:

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Kathleen Dooley, City Attorney

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*Clerk's Certificate*

*I, the undersigned, certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Ordinance No. 20- duly adopted at a meeting of the City Council meeting held April 7, 2020 at which a quorum was present and voted.*

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

Kathleen Dooley  
City Attorney

Dori Martin  
Assistant City Attorney



601 Caroline Street, Suite 200B  
P.O. Box 7447  
Fredericksburg, VA 22401  
540-372-1020

## CHECKLIST FOR MEETINGS BY ELECTRONIC COMMUNICATION MEANS

### VIRGINIA CODE §2.2-3708.2(A)(3)

**(draft) April 7, 2020 v.2<sup>1</sup>**

The COVID-19 public health emergency may require Fredericksburg boards, commissions, authorities and other public bodies to meet “by electronic communication means,” without a quorum physically present, either by conference call or video meeting software. Meeting by electronic communication means is generally prohibited by the Virginia Freedom of Information Act, but it is permitted in an emergency, so long as certain requirements are met.

This legal checklist will assist meeting organizers and participants meet the requirements of FOIA for meetings “by electronic communication means.” This guidance is prepared for the public bodies of the City of Fredericksburg; members should also feel free to email the City Attorney or Clerk of Council for additional advice or guidance.

In convening an electronic meeting, or participating in one, members of the public body must bear in mind the importance of maintaining a high level of public trust and confidence in local government. As stated in FOIA: “The affairs of government are not intended to be conducted in an atmosphere of secrecy since at all times the public is to be the beneficiary of any action taken at any level of government. . . . every meeting shall be open to the public . . . [t]he provisions of this chapter shall be liberally construed to promote an increased awareness by all persons of governmental activities and afford every opportunity to citizens to witness the operations of government.”

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<sup>1</sup> Va. Code §15.2-1413 authorizes City Council to adopt an ordinance to provide a method to assure continuity in government. Ordinances adopted under this authority, particularly if they authorize departures from otherwise-governing state law – must be carefully limited in scope to allow the locality to assure continuity in its government. They are limited in effect to a period not exceeding six months. City Council adopted such an ordinance, Ord. 20-\_\_\_, at a special meeting on April 7, 2020. **This updated guidance reflects the authority granted in that ordinance, and supersedes the guidance provided on March 25, 2020.**

**1. DEFINE “MEETING BY ELECTRONIC COMMUNICATION MEANS.”**

- A meeting “by electronic communication means” under §2.2-3708.2(A)(3) is one without a quorum of the public body physically assembled at one location.

If a quorum of the public body is physically assembled at one location, but one or more members call in to the meeting, then other provisions of FOIA apply (e.g. the “remote participation” rules in 2.2-3708.2(A)(1) and (2).)

**2. THREE CONDITIONS FOR A MEETING BY ELECTRONIC COMMUNICATION MEANS:**

- ✓ **Governor has declared a state of emergency.**

Governor Northam issued Executive Order Number Fifty-One, “Declaration of State of Emergency due to Novel Coronavirus (COVID-19) on March 12, 2020.

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 area to pre-event conditions as much as possible.”

- ✓ **The catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location.**

Coronavirus is a “communicable disease of public health threat.” 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.

In the press release accompanying EO 51, Governor Northam “is also urging localities and non-profits to limit large public events, effective immediately.” Governor Northam’s Executive Order #55, issued on March 30, 2020, directs Virginians to “stay at home.” This stay at home order is consistent with advice by the President of the United States, the World Health Organization, the Centers for Disease Control, and the Virginia Department of Health that social distancing is critical to stopping the spread of COVID-19.

City Council Ordinance 20-\_\_ includes a finding that the COVID-19 pandemic makes it unsafe to physically assemble in one location a quorum for public bodies.

- **The purpose of the meeting is to conduct the essential business of the public body, for continuity in government.**

Ord. 20-\_\_ authorizes any Public Entity, as defined in the ordinance,<sup>2</sup> to cancel any regularly scheduled or regular meeting if there is no essential business that needs to occur or if conditions otherwise make it impractical to meet.

Ord. 20-\_\_ then authorizes any Public Entity to hold any meeting through real-time electronic means, including audio, telephonic, video, or other practical electronic medium, without a quorum physically present in one location.

City Council Resolution 20-21, Confirming the City Manager’s Declaration of a Local Emergency Due to COVID-19, recited several of the threats of COVID-19 to the safety, health, welfare, convenience, and prosperity of the City and its residents, including 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, and local tax revenue generation, in addition to the required annual budget process. This resolution may be referred to in determining the “essential business” of the public body.

### **3. PUBLIC NOTICE OF THE MEETING:**

- Prior to holding a remote meeting in accordance, the Public Entity shall provide public notice at least 3 days in advance of the remote meeting, or, in the case of a special or emergency meeting, in accordance with applicable special notice requirements. Such notice shall include a statement that the meeting is being held through electronic means, and identify how the public may access the meeting and, if applicable, offer comment.
- The notice contains the date and time of the meeting, and identify how the public may access the meeting and, if applicable, offer comment.

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<sup>2</sup> A “Public Entity” covered by Ord. 20-\_\_ is defined as: the Council, the School Board, the Planning Commission, Board of Zoning Appeals, Architectural Review Board, Economic Development Authority, the Rappahannock Regional Solid Waste Management Board, and all other local and regional boards, commissions, committees and authorities created by the Council or to which the Council appoints all or a portion of its members (collectively “Public Entities” and individually “Public Entity”).

- The Public Entity will give notice of the date and time of meetings by posting the notice on the City's and/or its own official public government website.
- The Public Entity will send a copy of the meeting notice to the Clerk of Council, who will arrange to post the notice at the bulletin board at Hurkamp Park, a prominent public location.
- Any person may subscribe to receive notices of public meetings through the City's        service.

**4. MEETING AGENDA AND AGENDA PACKET:**

- The meeting agenda shall state that the meeting is being held pursuant to and in compliance with City Council Ordinance 20-\_\_.
- At least one copy of the agenda and all agenda packets and, unless exempt, all materials furnished to members of the Public Entity for the meeting shall be made available for public inspection through the City's or Public Entity's official governmental website at the same time such documents are furnished to members of the Public Entity.
- Upon request, the Public Entity will mail a hard copy of the agenda and agenda packet to the requester via U.S. Mail at no cost for the first copy of each for each meeting.

**5. PUBLIC ACCESS TO THE MEETING:**

- The public body shall make arrangements for public access to such meeting. Here are some examples for providing public access:

When the EDA met on Monday, March 23, the Chair was in City Council Chambers, along with City staff. Other members attended via conference call, so that their voices were audible. Public attendance was limited to 10 persons in Chambers. The Clerk of Council arranged for the City's video provider to live stream the meeting on the City's website and Governmental television channel, and the meeting was also live-streamed over Facebook Live. In addition, the meeting was audio-recorded by the secretary of the EDA. The meeting is still available through the City's website and Facebook page, and any member of the public may obtain a copy of the audio recording through a FOIA records request.

City Council met by Go To Meeting on March 20<sup>th</sup>. Again, the Clerk of Council was located in the Council Chambers, where she made arrangements with the City's video provider to

live-stream the meeting over the City’s website and Governmental television channel. The meeting was also live-streamed over Facebook Live.

**6. PUBLIC COMMENTS:**

- Public comment time is not required by FOIA but is an important and traditional element of the meeting agendas of several Public Entities.
- Public comments may be received in writing up to 1 hour prior to the next meeting, addressed to the Clerk of Council or other official designated by the Public Entity, by U.S. Mail, e-mail, or hand delivery to the drop box located by the front door of City Hall; and by additional methods identified by the Public Entity and included in the meeting notice.

**7. PUBLIC HEARINGS:**

- Public hearings on certain matters, which are deemed by the Public Entity to be essential business, may be held in accordance with the requirements of Ord. 20-\_\_\_. Other public hearings may be postponed to a future date, when a regular meeting can be held with a quorum of the Public Entity physically present.
- The Public Entity shall open the public hearing comment period, receive any comments that may have been submitted in advance, and continue the matter to its next meeting.
- Public comments may be received in writing up to 1 hour prior to the next meeting, addressed to the Clerk of Council or other official designated by the Public Entity, by U.S. Mail, e-mail, or hand delivery to the drop box located by the front door of City Hall; and by additional methods identified by the Public Entity and included in the meeting notice in accordance with Section 2 of this Article.
- Public Comments shall be compiled by the Clerk of Council, or other official designated by the Public Entity to receive comments, and delivered to each member of the Public Entity for review at or before the meeting at which the matter is scheduled to be concluded. All comments shall be made part of the meeting record.

**8. OTHER REQUIREMENTS:**

- A quorum of the public body must be assembled electronically – electronic meeting authority does not dispense with the need for a quorum.



**MEMORANDUM**

TO: Timothy J. Baroody, City Manager  
 FROM: Mark Whitley, Assistant City Manager  
 Brenna Erford, Budget Manager  
 RE: Budget Update and Options for FY 2020, and Revised Budget Calendar for FY 2021  
 DATE: April 6, 2020

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**OVERVIEW**

This memorandum is to brief City Council on the revised revenue outlook of the City, provide an update as to the FY 2020 budget, and offer some potential ideas for reductions in FY 2020. The memorandum also proposes a revision to the budget calendar for FY 2021.

**REVENUE OUTLOOK**

Numerous industries dependent on both consumption expenditure and social interaction have been effectively shuttered as a result of measures intended to slow the speed of the pandemic’s spread, which is creating a cascading effect throughout the economy. After property taxes, the City’s most significant sources of revenue are heavily dependent on consumption expenditure; for this and other reasons, City staff anticipate a significant contraction in revenue collections in the final quarter of the current fiscal year (April – June) which will continue into the new fiscal year. The duration of shelter-in-place directives and the relative success or failure of public health measures to slow the spread of COVID-19 are entirely unknowable; as a result, City staff has developed a range of assumptions and forecasts that will be continually revised as more information becomes available.

In the following forecast, “primary impacted tax sources” are City taxes that have a direct relationship to consumption expenditure. The forecast presents two major scenarios for revenues (“shelter-in-place” and “moderate restrictions”) each containing three levels of severity (“mild,” “moderate,” and “severe”). The shelter-in-place scenario assumes current-type conditions with populations subject to restrictions on movement and widespread business closures; the moderate restrictions scenarios assumes relatively less restricted local movement by populations but not full normal economic activity.

Tax Base	Revenue Scenario Criteria					
	SHELTER-IN-PLACE (SIP)			MODERATE RESTRICTIONS		
Sensitivity	Mild	Moderate	Severe	Mild	Moderate	Severe
High	50%	70%	85%	30%	40%	50%
Moderate	15%	20%	25%	15%	20%	25%
Low	5%	10%	15%	5%	10%	15%

“Tax base sensitivity” maps to how severe staff anticipates a given revenue source will contract under a certain scenario; for example, meals tax, hotel lodging tax, and amusements tax have “high” tax base sensitivity under either scenario due to how the economic activities that drive collections are restricted by public health mitigation efforts. However, the local sales tax base captures a broader share of cross-industry business transactions than are captured in other local primary impacted tax sources, and our forecast of its contraction under these scenarios is calculated with respect to the industry composition of taxable sales in its base.

Under these assumptions, and factoring in the one-month lag between economic activity and tax collection for local consumption taxes and a two-month lag for local sales tax, City staff anticipates a minimum of \$4 million in current year revenue shortfall from primary impacted sources alone.

	OVERALL SALES TAX CONTRACTION		
	Mild	Likely	Severe
Shelter-in-Place	67.4%	59.7%	53.2%
Moderate Restrictions	81.9%	75.7%	69.6%

Tax Collection Month	FY 2020				FY 2020 Cumulative	
	March	April	May	June		% of
Sales Tax: Month of Economic Activity	January	February	March	April		
Other Taxes: Month of Economic Activity	February	March	April	May		
<b>Revenue Forecast Scenario &amp; Magnitude</b>						
for Sales Tax	no impact	no impact	mild SIP	severe SIP		
For Other Taxes	no impact	mild SIP	severe SIP	severe SIP	nominal	budgeted
Local Sales Tax \$	941,667	941,667	634,781	500,501	9,610,282	85.0%
Meals Tax \$	1,037,500	518,750	155,625	155,625	10,167,500	81.7%
Lodging Tax \$	129,167	64,583	19,375	19,375	1,265,833.33	81.7%
Amusements Tax \$	42,917	21,458	6,438	6,438	420,583.33	81.7%
<b>Subtotal, Primary Impacted Sources \$</b>	<b>2,151,250</b>	<b>1,546,458</b>	<b>816,219</b>	<b>681,938</b>	<b>21,464,199</b>	<b>83.1%</b>
<b>Total budgeted FY 2020 General Fund \$</b>					<b>101,774,075</b>	
Total budgeted General Fund Revenues \$					96,445,693	
Total budgeted General Fund Balance \$					5,328,382	
Tax Loss (nominal, from all primary impacted tax sources) \$					4,350,801	
Tax Loss (% of total budgeted FY 2020 General Fund Revenues					4.5%	
<b>Tax Loss (% of total budgeted FY 2020 Budget</b>					<b>4.3%</b>	

This is not the total potential revenue shortfall; it is just one part of it. Over the past two weeks, over 10 million Americans have filed for unemployment benefits across the nation, indicating the onset of a severe recession whose duration cannot be estimated at the current time. Continued federal and state policy responses will exercise a tremendous impact on these economic conditions, as will the pace of the COVID-19 virus’ spread and the severity of its impact on communities. Depending on the depth and duration of unemployment in our community, City staff estimates we could see between an additional 2 to 4 percent - \$2 to \$4 million – in current year revenue losses from other major sources as a result of potential widespread insolvency and business closures caused by the pandemic.

In total, City staff advises we prepare budget reduction options in line with a revenue shortfall scenario ranging from \$4 to \$8 million in FY 2020. At present the magnitude of FY 2021 revenue losses can’t be forecasted with any reliability; however, it would be prudent to identify from \$10 to \$15 million in spending reductions and deferrals that will hopefully be avoided through delivery of significant intergovernmental aid.

## **FY 2020 BUDGET STATUS AND PROPOSED REDUCTIONS**

The current General Fund for FY 2020, as amended, stands at \$101,774,075, with General Fund revenues forecasted at \$96,445,693 and budgeted use of fund balance at \$5,328,382 – most of which is represented by \$3,523,000 of Fund Balance Assigned to Capital that was transferred for one-time capital projects.<sup>1</sup> Again, the City relies heavily on meals taxes, sales taxes, lodging taxes, and other taxes that are heavily impacted by the current pandemic.

The Budget Manager indicates that the City should plan on a range of lower-than-budgeted revenues in the \$4 to \$8 million range based on current economic indicators. An estimated target for revenue for FY 2020 is \$90 million – pending additional information via City revenue collections over the next one to two months. During that time the City will also learn more about possible increases in federal assistance and state budget actions that affect the City's operational and capital outlook.

The City has received \$60.1 million in General Fund revenue to date in the current fiscal year. That amount does not include the second installment of the City's biannual real estate and personal property taxes or the last quarter of excise taxes and state aid payments for urban street maintenance.

The extent to which actual expenditures exceed actual revenues received will be the reduction in General Fund balance for FY 2020. In the short run, the City must take action to reduce the actual use of fund balance given the potential reduction of fund balance in the General Fund, which means the City must reduce total expenditures. Staff strongly recommends early action so that the majority of the City's fund balance can be reserved for potential use in FY 2021, when it is possible the City may sustain deeper revenue losses depending on the duration and severity of the pandemic and public health mitigation measures to slow its spread.

The attached table includes approximately \$2.5 million in difficult reductions for the City's main operations in the General Fund. This table is a beginning effort, and staff wished to advise City Council of these efforts and receive advice and direction.

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Staff will continue to evaluate and propose additional reductions for FY 2020 - in order to close the potential \$4 to \$8 million gap between forecasted revenues and currently budgeted expenditures. These options have been assembled with attention to the necessity and continuity of vital public services, including critical infrastructure and public safety. They have also been considered in light of evolving information about federal aid. This list will be expanded and revised as more information becomes available.

In order to meet these reduction targets, the City will need to evaluate potential reductions in capital spending as well as various enterprise funds. Transit is already undergoing service reductions related to the health situation and the lack of ridership. Water and sewer funds will see some amount of revenue loss as major customers such as restaurants and hotels reduce their usage. City staff will continue to evaluate these funds and bring forward additional ideas to maintain the solvency of our various enterprises.

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<sup>1</sup> Other uses of fund balance include contingency, jail stabilization, and a share representing encumbrances and carry-over activity in the General Fund.

The following current year budget reduction options are offered for consideration:

**Initial Proposed Reductions for FY 2020 – General Fund**

<b>FY 2020 Proposed Reduction</b>	<b>Amount</b>	<b>Description</b>
<b>Reduce Transfer to Schools</b>	\$500,000	
<b>Eliminate Small Area Plan Process</b>	\$300,000	Reverse Transfer to Capital
<b>Reduce Library Payment</b>	\$200,000	Will need to advise Library Board and request them to reduce their local support in FY 2020
<b>Personnel</b>	\$400,000	About ½ of a payroll (wages only) for FT General Fund. This is a target for various types of actions, including hiring freeze, pay reductions, and staffing reductions.
<b>No Buffet Pool CY 2020</b>	\$30,000	Would also provide savings in FY 2021
<b>Regional Jail</b>	\$50,000	This would be a deferral - coupled with a request to the Jail Authority to reduce their requested support from their local partners for FY 2020 and FY 2021. Jail remains open and necessary so savings will be limited.
<b>Reduce Additional Transfer to Capital</b>	\$1,000,000	Interim target – will need to increase.
<b>Reduce Transfer to DSS</b>	\$100,000	May require personnel reductions
<b>Reduce Transfer to CSA</b>	\$100,000	May have some ability to reduce payments to providers if services are not rendered
<b>Subtotal</b>	<b>\$2,680,000</b>	

**Reductions via Freeze**

<b>FY 2020 Proposed Reduction</b>	<b>Amount</b>	<b>Description</b>
Freeze PW Snow Removal Budget	\$100,000	No action needed
Freeze & Capture RJC Savings	\$100,000	No action needed

**Reductions difficult to estimate**

No Motts Marina CY 2020	TBD	Additional work needed to estimate – lost revenue minimizes savings in FY 2020
PRE – No Spring Sports Season	TBD	No action needed at this time
Operating Line Item Savings	TBD	Target at least \$200,000 – items such as reduce fuel expenditures, suspend cleaning contracts for CRRL, eliminate travel for April – June, etc.

## **REVISED BUDGET CALENDAR**

Given recent events, City staff propose the following revised budget calendar:

<b>FY 2021 Budget Calendar</b>				
<b>Date*</b>	<b>Time</b>	<b>Session</b>	<b>Topic</b>	<b>Location in Fredericksburg City Hall*</b>
Tuesday, March 10, 2020	7:30 p.m.	Regular Session	City Manager's Recommended Budget Presented to City Council	City Council Chambers
Tuesday, April 14, 2020	6:00 p.m.	Budget Work Session		Suite, Room 218
Tuesday, April 21, 2020	No Public Hearing as previously scheduled			City Council Chambers
Tuesday, April 28, 2020	7:30 p.m.	Budget Work Session		City Council Chambers
Tuesday, May 12, 2020	7:30 p.m.	1st and 2nd read of the School Budget	First Reading of the City Budget	City Council Chambers
Friday, May 15, 2020	Constitutional Deadline for Passing School Budget			<a href="#">Code of Virginia § 22.1-93</a>
Tuesday, May 26, 2020	7:30 p.m.	2nd read for City Budget	Second Reading of the City Budget	City Council Chambers
Tuesday, June 30, 2020	Deadline for CIP, City Budget, and Tax Rate			
<i>*All dates and locations are subject to change. City Hall is located at 715 Princess Anne Street</i>				



**MEMORANDUM**

*Willie D. Drabky*

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Bill Freehling, Director, Economic Development and Tourism  
**DATE:** April 7, 2020  
**SUBJECT:** EDA Emergency Business Relief Grant Program

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**ISSUE**

Should the City Council appropriate \$50,000 from the Economic Development Opportunity Fund to the Fredericksburg Economic Development Authority (EDA) to help support the EDA's emergency business grant program?

**RECOMMENDATION**

Yes, Council should appropriate the funds.

**BACKGROUND**

Fredericksburg's EDA on March 23 created an emergency grant program to help City small businesses struggling in the wake of the COVID-19 viral outbreak and subsequent imposed restrictions. The EDA set aside \$50,000 for the grant program. The EDA will begin accepting applications on March 30 and take them through April 3. An EDA committee along with staff from the Department of Economic Development and Tourism on April 6 will begin reviewing applications, and grant funding is expected to be ready to be disbursed the week of April 13. The maximum grant per business is \$4,000. Grant funds can be used to pay business expenses needed to keep businesses afloat – such as rent, utility bills, insurance and more.

If City Council were to match the EDA's allocation, there would be a \$100,000 grant fund available to assist our small businesses – the lifeblood of our community. The City has \$54,000 in its Economic Development Opportunity Fund, and staff recommends that Council appropriate \$50,000 of that fund to this use. This seems a most appropriate use for these funds.

**FISCAL IMPACT**

While the City would be investing \$50,000 into this program, the potential return on investment associated with keeping businesses afloat is incalculable.

Attachments: Resolution  
Application  
Webpage



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***Clerk's Certificate***

*I, the undersigned, 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- duly adopted at a meeting of the City Council meeting held March 20, 2020 at which a quorum was present and voted.*

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



## Form Center

### Economic Development Authority Grant Application

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#### Grant Requirements

In order to apply, the business must be located in the City of Fredericksburg (22401), meet the SBA definition (see below) of a small business, and have a demonstrable need as a result of the Coronavirus. Applicants are also required to be in compliance with the State Corporation Commission and City of Fredericksburg taxes, permits, fees and regulations prior to March 15, 2020. The Taskforce will verify these requirements.

#### SBA Definition

[SBA Definition](#)

**Business Name\***

**Business Street Address\***

**Zip Code\***

**Contact Name\***

**E-Mail Address\***

**Contact Phone  
Number\***

**Type of Business\***

**Have you received local funding assistance from another resource? \***

If yes, resource name and amount?

**How long have you been in  
business?\***

**Is your business a franchise?\***

If so, is primary business located in the City of Fredericksburg (22401).

In the City of Fredericksburg  
(22401)

**What is your current operating status? Choose One\***

- Still operating as normal       Closed voluntarily  
 Operating but at reduced capacity       Forced to close by state order

**Date of closure.**

**If reduced capacity, provide  
date.**

**Delivery/Take-Out only, provide  
date.**

**On-line sales only, provide date.**

**What is your current total employee count full-time? \***

**What is your current total employee count part-time? \***

**How many people have you hired since the COVID-19 outbreak?\***

**How many people have you had to lay off? \***

**What percentage of your workforce is currently working remotely?\***

**If employees are temporarily not reporting for work, what percentage will be paid during the work hiatus? \***

**For how many weeks will those not working be paid? \***

**On a scale of 1-7 how would you evaluate workforce morale today? \***

Lowest 1 2 3 4 5 6 7 Highest

**In addition to general health, what is your greatest concern for employees during this time of emergency? \***

**Please estimate your company's weekly revenue change experienced as a result of COVID-19. \***

Choose increase or decrease with percentage. See list below.

**Choose one for above question**

Increase: 0-10%; 10-20%; 21-30%; 31-40%; 41-50%; 51-60%; 61-70%; 71-80%; 81-90%; 91-100%; 100%+

**Choose one for above question**

Decrease: 0-10%; 10-20%; 21-30%; 31-40%; 41-50%; 51-60%; 61-70%; 71-80%; 81-90%; 91-100%; 100%+

**Cash on hand:\***

- \$0 - \$5,000
- \$5,001 - \$10,000
- \$10,001 - \$20,000
- \$20,000+

**Gross annual revenue for 2019\***

- \$0 - \$25,000
- \$25,001 - \$50,000
- \$50,001 - \$100,000
- \$100,001 - \$250,000
- \$250,001 - \$500,000
- \$500,001 - \$1 Million
- \$1 Million+

Taskforce will verify with the Commissioner of the Revenue.

**How many weeks of a business slowdown or shutdown would you estimate your business could survive before closing?\***

**Do you have standing lines of credit to help bridge this business interruption?\***

**Have you contacted your bank about a bridge loan or other financing?\***

**Who is your Landlord? Have you contacted him/her regarding a reduced or delayed lease payment?\***

If Mortgage answer same.

**Do you anticipate any permanent reductions in your workforce?\***

Next 3 months? If yes, list reduction number. Next 6 months? If yes, list reduction number. You may also answer No or Unsure.

**Amount of grant funding requested?\***

Maximum amount \$4,000

**How will grant funding be used?\***

Please list need and amount. Separate with comma.

**Electronic Signature Agreement**

By checking the "I agree" box below, you agree and acknowledge that 1) your application will not be signed in the sense of a traditional paper document, 2) by signing in this alternate manner, you authorize your electronic signature to be valid and binding upon you to the same force and effect as a handwritten signature, and 3) you may still be required to provide a traditional signature at a later date.

I agree.

**Electronic Signature\***

**Date\***

**If you have any questions, please e-mail Amy Peregoy at [aperegoy@fredericksburgva.gov](mailto:aperegoy@fredericksburgva.gov) or call 540-372-1216.**

Receive an email copy of this form.

**Email address**

This field is not part of the form submission.

\* indicates a required field

# Grant Program

## Emergency Grant Program - COVID-19 Relief



The City of Fredericksburg Economic Development Authority (EDA) is offering emergency grants of up to \$4,000 to help Fredericksburg (22401) businesses impacted by coronavirus pay essential business expenses. In order to apply, the business must be located in the City of Fredericksburg (22401), meet the SBA definition of a small business, and have a demonstrable need as a result of the Coronavirus. The needs are required to be listed with an amount within the application.

The EDA Emergency Grant Taskforce was created on March 23, 2020, during a special EDA meeting. The Taskforce will virtually meet to review grant applications. The Taskforce will prioritize brick and mortar businesses.

If awarded a grant, the funds will be paid directly to the creditor/s. Proper documentation (utility invoice, rental agreement, tax invoice, insurance invoice, etc.) will need to be presented to the program administrator, Amy Peregoy.

Applicants are required to be in compliance with the State Corporation Commission and City of Fredericksburg on taxes, permits, fees and regulations as of March 15, 2020. The Taskforce will verify these requirements.

If approved, applicants may be required to submit additional information for verification.

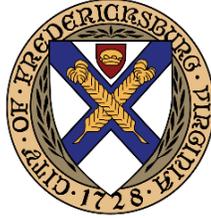
All information submitted by application or in addition with approval is subject to the Freedom of Information Act (FOIA).

***Grant Application to be published on Monday, March 30th at 8:00 a.m.***

*Businesses will have until Friday, April 3rd at 5 p.m. to apply.*

### Contact:

Applicants are encouraged to contact the Department of Economic Development and Tourism with questions by e-mailing Bill Freehling, EDT Director, or Amy Peregoy, Economic Development Specialist/EDA Assistant Secretary.



**MEMORANDUM**

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Mark Whitley, Assistant City Manager  
**RE:** Postponement of Various Tax Deadlines  
**DATE:** April 7, 2020 (for April 7 Special Council Meeting)

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**ISSUE**

Shall the City Council of the City of Fredericksburg postpone various deadlines for the collection of taxes and payments due the City in light of the COVID-19 pandemic state of emergency?

**RECOMMENDATION**

Yes.

Staff recommends adoption of the attached ordinances on first and second reading, so that the community can plan with some certainty around these changes in billing practices. City Council retains the option of rejecting or altering these ordinances, and may wish to have a first reading on April 7<sup>th</sup> and a second reading on April 14<sup>th</sup>, which is the next regular City Council meeting.

**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. Governor Northam has closed K-12 schools for the year, and ordered residents to stay at home except under certain circumstances.

Unfortunately, these necessary measures will have a significant negative impact on the business income of the Fredericksburg business community. The business community in turn will not be able to sustain their current employee base. Federal and state assistance will be forthcoming, but the City is also able to take some actions to postpone some of the taxes or fees on citizens or businesses to provide some relief as this situation develops.

*Ordinance to Postpone the Due Date and the Imposition of Penalties and Interest – Personal Property Taxes*

The City’s Commissioner of the Revenue and the Treasurer are currently in the process of preparing the spring bills for both real estate and personal property taxes. These taxes are both due on May 15.

The staff recommends that the deadline for personal property taxes be extended to July 15, 2020 – a sixty day extension, which will help those affected by the pandemic.

*Ordinance to Postpone the Remittance Date for Excise Taxes*

There are several excise taxes in the City Code that are collected and held in trust by various businesses for the City – namely the meals, lodging, and admissions taxes.

Businesses that are asked to collect these taxes file returns with the Commissioner of the Revenue on the 20<sup>th</sup> day of the month, and to pay the taxes at the time the return is filed. The returns are filed on the prior month’s activity – so, for example, meals that are sold in February would have taxes assessed at the time of sale. The business would report that on the return for February filed in March, and pay the taxes collected at that time.

The attached ordinance extends for sixty days the amount of time that the taxes would be due to the City without any penalty for late payment. Businesses are still asked to complete and file the returns on time, but payment of the tax could take place up to sixty days later without penalty.

The ordinance would be in effect for the duration of the local emergency. The month that the duration is lifted would still allow for the extension of payments. The first full month following the end of the emergency, which would be filed on the 20<sup>th</sup> of the next month, would return to normal.

As a hypothetical example, if the emergency was ended on August 11, then the return for that month would be filed on September 20<sup>th</sup>. The tax for that month would be owed on November 20<sup>th</sup>. The month of September would be filed and paid on October 20<sup>th</sup>, in accordance with the normal schedule.

Utility Payments

The City Treasurer, in conjunction with the City Finance and Public Works Departments, has taken action to ensure that there are no service terminations for non-payment of City utility bills – water / sewer / garbage, for now. This action falls into line with the actions of other utilities, such as Dominion Virginia Power. It also recognizes that these services are essential to the maintenance of good public health practices. The City will continue to bill for these services on a bi-monthly basis.

**FISCAL IMPACT**

These measures will also have an 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 are now declining as the “social distancing” measures reduce their ability to operate.

The City staff will be working on measures for City Council consideration to reduce expenditures in the FY 2020 and the FY 2021 budgets in response to declining revenues.

Attachments:

Ordinance Extending the Due Dates for Payment of Admissions,  
Lodging, and Meals Taxes due to the COVID-19 Public Health  
Emergency

Ordinance Extending the May 15 Due Date for CY 2020 Personal  
Property Taxes



April 7, 2020  
Special Meeting  
Ordinance No. 20-\_\_

**MOTION:**

**SECOND:**

**RE:** Extending the Due Dates for Payment of Admissions, Lodging, and Meals Taxes Due to the COVID-19 Public Health Emergency

**ACTION:** APPROVED: Ayes: 0; Nays: 0

**FIRST READ:** \_\_\_\_\_ **SECOND READ:** \_\_\_\_\_

**Article I. Purpose.**

On March 12, 2020, Governor Ralph S. Northam issued Executive Order 51 declaring a state of emergency for the Commonwealth of Virginia in response to the novel coronavirus (COVID-19) pandemic. The City Manager, as the City's Director of Emergency Management, pursuant to City Code § 26-36 and Virginia Code § 44-146.21, 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 disease. This declaration was affirmed by City Council at a special meeting on Friday, March 20, 2020. Governor Northam issued Executive Order 53, "Temporary Restrictions on Restaurants, Recreational Entertainment, Gatherings, Non-essential Retail Businesses, and Closure of K-12 Schools Due to the Novel Coronavirus," on March 23, 2020; and Executive Order 55, "Temporary Stay at Home Order Due to Novel Coronavirus," on March 30, 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. Large-scale quarantines, travel restrictions, and social-distancing measures have driven a sharp fall in consumer and business travel and spending, particularly on activities subject to the local excise taxes on admissions, lodging, and meals, and are projected to continue to do so.

Admissions, lodging, and meals taxes are paid by the consumer, and deemed to be held in trust by the seller collecting them, until remitted to the City. The City Code requires the seller to make a report to the Commissioner of Revenue for each calendar month, showing the amount of charges for the taxable activity and the amount of tax required to be collected. The reports are required to be delivered to the Commissioner of Revenue on or before the 20<sup>th</sup> day of the calendar month following

the month reported. Each report is required to be accompanied by a remittance of the amount of tax due, made payable to the City Treasurer.

The purpose of this ordinance is to delay the date of tax payment (but not reporting) for admissions, lodging, and meals taxes, in light of the economic hardship on local businesses by the COVID-19 public health emergency.

**Article II. Extension of the due date for admissions, lodging, and meals taxes due.**

**Section 1. Meals tax payment due date extension.**

Notwithstanding the provisions of City Code §70-440 to the contrary, every “seller” as defined in City Code §70-431 shall make the meals tax report for each calendar month to the City, showing the amount of charges collected for meals and the amount of tax required to be collected. The monthly reports shall be made on forms prescribed by the Commissioner of the Revenue and shall be signed by the seller. They shall be delivered to the Commissioner of the Revenue on or before the 20<sup>th</sup> day of the calendar month following the month being reported.

The due date for the remittance (payment) of the meals tax due is extended 60 days as follows:

- For the remittance due on March 20, 2020 – May 20, 2020;
- For the remittance due on April 20, 2020 – June 20, 2020;
- For the remittance due on May 20, 2020 – July 20, 2020;
- For the remittance due on June 20, 2020 – August 20, 2020;
- For the remittance due on July 20, 2020 – September 20, 2020.

If City Council has not adopted a resolution to end the declared emergency, under Va. Code §44-146.21(A), by June 30, the 60 day extension shall continue in like manner until the resolution is adopted.

**Section 2. Lodging tax payment due date extension.**

Notwithstanding the provisions of City Code §70-449 to the contrary, every person collecting the lodging tax shall make out a report thereof, upon such forms and setting forth such information as the Commissioner of the Revenue may prescribe and require, showing the amount of lodging charges collected and the tax required to be collected, and shall sign and deliver such report to the Commissioner of the Revenue, on or before the 20<sup>th</sup> day of each month covering the amount of tax collected during the preceding month.

The due date for the remittance of the lodging tax is extended 60 days as follows:

- For the remittance due on March 20, 2020 – May 20, 2020;

- For the remittance due on April 20, 2020 – June 20, 2020;
- For the remittance due on May 20, 2020 – July 20, 2020;
- For the remittance due on June 20, 2020 – August 20, 2020;
- For the remittance due on July 20, 2020 – September 20, 2020.

If City Council has not adopted a resolution to end the declared emergency, under Va. Code §44-146.21(A), by June 30, the 60 day extension shall continue in like manner until the resolution is adopted.

### **Section 3. Admissions tax payment due date extension.**

Notwithstanding the provisions of City Code §70-544 to the contrary, every person collecting the admission tax shall make out a report, setting forth such information as the Commissioner of the Revenue may prescribe and require, including the amount of admissions charges collected, exclusive of the federal tax thereon, and the tax from the admissions for which he is liable, and shall sign and deliver the report to the Commissioner of the Revenue, on or before the 20<sup>th</sup> day of each month covering the amount of tax collected during the preceding month.

The due date for the remittance of the admissions tax is extended 60 days as follows:

- For the remittance due on March 20, 2020 – May 20, 2020;
- For the remittance due on April 20, 2020 – June 20, 2020;
- For the remittance due on May 20, 2020 – July 20, 2020;
- For the remittance due on June 20, 2020 – August 20, 2020;
- For the remittance due on July 20, 2020 – September 20, 2020.

If City Council has not adopted a resolution to end the declared emergency, under Va. Code §44-146.21(A), by June 30, the 60 day extension shall continue in like manner until the resolution is adopted.

### **Article III. Effective date, reversion to City Code schedule.**

This ordinance becomes effective immediately. This ordinance will continue in effect until City Council adopts a resolution to end the declared emergency, under Va. Code §44-146.21(A). Unless otherwise provided in that resolution, the due date for the remittance of meals, lodging, and admissions taxes will revert to the schedule in the City Code the first full month following the adoption of this resolution.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

Approved as to form:

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Kathleen Dooley, City Attorney

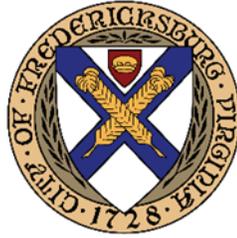
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***Clerk's Certificate***

*I, the undersigned, certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Ordinance No. 20-\_\_ duly adopted at a meeting of the City Council held by electronic communication means on Date, 2020 at which a quorum was present and voted.*

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



April 7, 2020  
Special Meeting  
Ordinance No. 20-\_\_

**MOTION:**

**SECOND:**

**RE:** Extending the May 15 Due Date for Fiscal Year 2020 Personal Property Taxes

**ACTION:** APPROVED: Ayes: 0; Nays: 0

**FIRST READ:** \_\_\_\_\_ **SECOND READ:** \_\_\_\_\_

**Article I. Purpose.**

City Council adopted Ordinance No. 20-\_\_, to Address Continuity of City Government during the pendency of the COVID-19 pandemic disaster, on April 7, 2020. Article II, Section 4 of that ordinance provides generally for the suspension of deadlines requiring action by a Public Entity, including the Commissioner of Revenue and Treasurer, during this emergency and disaster. Without limiting the generality of that provision, the City Council wishes to address specifically the deadline and due date associated with the first installment of FY2020 personal property taxes, and does so by adoption of this ordinance.

Personal property taxes in the City are billed on a calendar year basis. City Code §70-131(C) provides that personal property taxes shall be payable annually in two equal installments, with the first half of the total tax being due and payable on or before May 15 and the second half being due and payable on or before November 15 of each calendar year. Due to the impact of the COVID-19 pandemic disaster on governmental operations, the Commissioner of Revenue projects that she will complete personal property tax assessment before the end of April. The Treasurer then issues personal property tax bills to taxpayers, typically about 30 days before the due date.

City Council adopts this ordinance under the authority of Code of Virginia §§15.2-1413 and 58.1-3916.

**Article II. Extension of the due date for the first installment of CY2020 personal property taxes.**

Notwithstanding the provisions of City Code §70-131(C) to the contrary, the first installment of the CY2020 personal property tax shall be payable on or before July 15, 2020.

**Article III. Effective date.**

This ordinance becomes effective immediately.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

Approved as to form:

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Kathleen Dooley, City Attorney

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***Clerk's Certificate***

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

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



## MEMORANDUM

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Mark Whitley, Assistant City Manager  
**RE:** Real Estate Re-assessment Update for FY 2021  
**DATE:** April 7, 2020

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### **ISSUE**

Shall City Council approve an ordinance that delays the effective date of the current general property re-assessment from July 1, 2020 to January 1, 2021?

### **RECOMMENDATION**

Yes. The attached ordinance is available for your approval on first reading.

### **BACKGROUND**

The City of Fredericksburg is currently in the process of conducting a general property re-assessment. Under the current schedule, the field work has largely been completed, save for some properties where construction is in progress. The notices were due to be mailed out in April – before May 1<sup>st</sup>.

However, the pandemic altered our thinking on the timeline, in two ways:

- 1) The real estate market for both commercial and residential real estate are in a state of flux, under the impact of the pandemic. This could be especially true in the commercial real estate market.
- 2) The Assessor has notified the City that he is physically unable to complete the last inspections and other tasks necessary to complete the assessment, because of the risks associated with the pandemic.

The Assessor, the Commissioner of the Revenue, and staff are proposing an ordinance that will allow the Assessor additional time to complete the assessment. This will also allow the Assessor to consider data that may come from the real estate marketplace and provide an updated valuation for the real estate in the community which will take into account, to the extent possible with the extension, the impact of the pandemic.

Under this scenario, the notices for the new values would go out on or before November 1, 2020. The assessor would target a date in mid to late October to mail the notices.

Appeals to the assessor would take place beginning two or three weeks after the notices go out. Final decisions on appeals would be completed by late November or early December, 2020. The land book would then be completed in December for the January 1, 2021 effective date.

The Board of Equalization would then need to be appointed and begin meeting and hearing appeals in January and February of 2021. The deadline for appeals would be April 15, 2021, or thirty days after the final appeal to the Assessor, whichever is later. The attached ordinance requires the Board of Equalization's work on appeals to be completed by June 30, 2021.

City Council would have the option, for future cycles, to either order a special assessment or change cycles to a calendar year real estate basis.

#### *2020 Census & Next Assessment*

The Code of Virginia §58.1-3250 requires that cities in the Commonwealth provide for a general reassessment of real estate every two years. There is a clause that allows cities under 30,000 in population to conduct re-assessments every four years, and we have elected that option. If the City exceeds 30,000 in population after the current Census, we will be required to go to a two-year cycle.

The City Council also retains the option of ordering a special assessment, out-of-cycle, should that become prudent.

#### **FISCAL IMPACT**

##### *Impact on Budget Process*

The staff would propose to go ahead and consider the FY 2021 budget based on the current real estate values. The real estate tax rate is currently \$0.85 per \$100 valuation, which includes \$0.83 per \$100 for General Fund purposes and an additional \$0.02 per \$100 for the Stormwater Management Fund.

The real estate valuation would be adjusted to a new rate in the autumn based on the new values that come in from the assessment. The effective date of the new land book would be January 1, 2021, and the rate that Council sets in the autumn timeline would be applied to the spring billing for real estate taxes.

##### *Fiscal Impact*

The City will need to amend the contract of the Assessor based upon the time extension.

Attachment: Ordinance "Suspension of deadlines for the general reassessment of real estate, to assure the continuity of government during the pendency of the COVID-19 disaster."

cc: Lois Jacob, Commissioner of the Revenue  
Kathleen Dooley, City Attorney  
Brenna Erford, Budget Manager  
Robyn Shugart, Director of Finance  
Brenda Wood, City Treasurer





**MOTION:**

April 7, 2020  
Special Meeting  
Ordinance No. 20-\_\_

**SECOND:**

**RE:** Suspension of deadlines for the general reassessment of real estate, to assure the continuity of government during the pendency of the COVID-19 disaster

**ACTION:** APPROVED: Ayes: 0; Nays: 0

**FIRST READ:** \_\_\_\_\_ **SECOND READ:** \_\_\_\_\_

**Article I. Purpose.**

City Council adopted Ordinance No. 20-\_\_, to Address Continuity of City Government during the pendency of the COVID-19 pandemic disaster, on April 7, 2020. Article II, Section 4 of that ordinance provides generally for the suspension of deadlines requiring action by a Public Entity, including a Constitutional Officer, during this emergency and disaster. Without limiting the generality of that provision, the City Council wishes to address specifically the deadlines associated with the 2020 general real estate reassessment, and does so by adoption of this ordinance.

In adopting this ordinance, City Council finds that the general real estate assessment is an essential function of local government, as the real estate tax base generates one-third of the City's general revenues. Virginia Constitution Art. X §2 and Code of Virginia §58.1-3201 require that all general reassessments of real estate shall be made at 100 percent of fair market value. The COVID-19 pandemic disaster has created instability in residential and commercial real estate valuation. Thus, the extensions of time in this ordinance are limited in scope to assure continuity in government during the current emergency.

City Council further finds that the public health restrictions on in-person meetings associated with the COVID-19 pandemic make administrative review of an assessment by the assessor or board of equalization impractical or unsafe during the pendency of the disaster.

City Council adopts this ordinance under the authority of Code of Virginia §15.2-1413.

**Article II. Suspension of deadlines associated with the 2020 general real estate assessment.**

**Section 1. Mailing of reassessment notices.** The May 1, 2020 deadline for the real estate assessor to mail the Notice of Change in Assessment under Code of Virginia §58.1-3330 is extended to November 1, 2020.

**Section 2. Completion of reassessment.** The June 30, 2020 deadline for completing the general reassessment of real estate, established by Code of Virginia §§58.1-3257 and 58.1-3010, is extended to December 31, 2020.

**Section 3. Deadlines associated or dependent on the completion of the general reassessment.** Deadlines for official action that are dependent on the completion of the general reassessment, including but not limited to those contained in Code of Virginia §58.1-3300 (filing of the reassessment record), are adjusted to reflect the extensions in Sections 1 and 2 of this ordinance, *mutatis mutandis*.

**Section 4. Administrative and judicial review of the general reassessment.** Review of any assessment of real estate included in the general reassessment by the assessor or board of equalization under Code of Virginia §§58.1-3350 *et seq* shall commence after the general reassessment is complete.

**Section 5. Correction of assessments, remedies and refunds.** The deadlines for seeking judicial review of the general reassessment of real estate provided in Code of Virginia §58.1-3984 are not amended, because they are self-adjusting, as they already relate to (a) the tax year for which the assessment was made, (b) the date of the assessment, (c) the Tax Commissioner’s final determination, or (d) the commissioner of revenue’s determination.

**Article III. Effective date.**

This ordinance becomes effective immediately.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

Approved as to form:

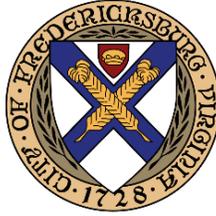
\_\_\_\_\_  
Kathleen Dooley, City Attorney

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***Clerk’s Certificate***

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

\_\_\_\_\_  
***Tonya B. Lacey, CMC***  
***Clerk of Council***



**MEMORANDUM**

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Marne E. Sherman, Development Administrator  
**RE:** Emergency Appendix to the UDO Procedures Manual – Temporary Signs  
**DATE:** March 31, 2020 (for the April 7, 2020 City Council Meeting)

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**ISSUE**

Shall the Unified Development Ordinance (UDO) Procedures Manual be amended to assist businesses by establishing a clear process to display temporary signs and banners during the novel coronavirus state of emergency?

**RECOMMENDATION**

Approval of the draft resolution.

**TECHNICAL REVIEW COMMITTEE RECOMMENDATION**

Under City Code §72-14.0, the Zoning Administrator and Development Administrator develop and publish a single coordinated and integrated supplemental Procedures Manual. City Council approves all revisions to the Procedures Manual, after receiving the recommendation of the Technical Review Committee.

The Technical Review Committee has reviewed and approved the proposed appendix through telework capabilities and recommends it for approval.

**BACKGROUND AND PROPOSAL**

On March 12, 2020, Governor Ralph S. Northam issued Executive Order 51 declaring a state of emergency for the Commonwealth of Virginia in response to the novel coronavirus (COVID-19) pandemic. The City Manager, as the City's Director of Emergency Management, pursuant to City Code §26-36 and Virginia Code §44-146.21, 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 disease. This declaration was affirmed by City Council at a special meeting on Friday, March 20, 2020.

Large-scale quarantines, travel restrictions, and social-distancing measures have driven a sharp fall in consumer and business travel and spending. As a result, businesses have sought creative ways to display signage to let customers know that they are open for business and how their business models have changed such as offering new curbside, delivery, and drive-thru options. Fredericksburg businesses need clear authority to use temporary signs and banners to communicate with the public and their customer base during this period.

Temporary signs are regulated under Article 5 of the City's Unified Development Ordinance, Chapter

72 of the City Code. [§72-59.3.F.\(3\)](#) permits up to thirty-two square feet of signage, eight feet in height without a zoning permit until June 19, 2020 (10 days following the June 9 Primary Election). In some cases, signs in the Historic Overlay District still require approval of a Certificate of Appropriateness (COA). Due to the state of emergency, Architectural Review Board meetings have been cancelled, making the timely approval of a COA to meet the rapidly changing business environment a challenge.

[Procedures Manual](#) Part 2, generally outlines the process to obtain approval of a Certificate of Appropriateness and Sign Permit Application. The text below would be inserted into the Procedures Manual as an appendix to answer community questions and assist businesses by:

- clearly defining the type, size, height, and illumination standards for temporary signage as permitted by [§72-59.3.F.](#);
- providing contact information to submit a COA application;
- waiving the review fee for a COA, as applicable in the Historic Overlay District; and
- designating the Zoning Administrator (designee Historic Resources Planner) to review and act on the COA application for the temporary signs, as applicable in the Historic Overlay District.

## **PROCEDURES MANUAL APPENDIX**

### *Temporary Signage for Commercial Uses During the COVID-19 Pandemic, dated April 7, 2020*

Beginning immediately and lasting until June 19, 2020, commercial uses are permitted to display on-premise, temporary signage in accordance with [§72-59.3.F.\(3\)](#) and the following standards and procedures:

- Sign Types: Freestanding or building mounted signs, including banners, are permitted. Sail/Feather signs are prohibited per [§72-59.4.C](#).
- Total Sign Area: Display of up to 32 square feet is permitted. The display can be divided into multiple signs, not to exceed a cumulative total of 32 square feet.
- Height: Freestanding signs are permitted to be up to 8 feet in height. Building mounted signs must comply with [§72-82.8.H](#).
- Illumination: Signs shall be non-illuminated.
- Permitting Process: Signs installed in accordance with [§72-59.3.F.\(3\)](#) are exempt from obtaining a Zoning Permit. However, prior to installing temporary building mounted signs within the Historic Overlay District, a [Certificate of Appropriateness application](#) must be administratively approved by the Zoning Administrator (designee Historic Resources Planner). COA application fees shall be waived. Applications should include sign dimensions, materials, and mounting details. Applications can be filed [by email](#) or mail to the [Community Planning and Building Department](#).

Attachment: Resolution



**MOTION:**

April 7, 2020  
Special Meeting  
Resolution 20-

**SECOND:**

**RE:            Approving an Emergency Appendix to the Unified Development Ordinance  
                  Procedures Manual Relating to Commercial Temporary Signs**

**ACTION:      APPROVED: Ayes: 0; Nays: 0**

On March 12, 2020, Governor Ralph S. Northam issued Executive Order 51 declaring a state of emergency for the Commonwealth of Virginia in response to the novel coronavirus (COVID-19) pandemic. The City Manager, as the City's Director of Emergency Management, pursuant to City Code § 26-36 and Virginia Code § 44-146.21, 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 disease. This declaration was affirmed by City Council at a special meeting on Friday, March 20, 2020. On March 23, 2020, Governor Northam issued Executive Order 53, closing all dining and congregation areas in restaurants, but permitting delivery and take-out services.

City Council adopted Ordinance No. 20-\_\_\_, to Address Continuity of City Government during the pendency of the COVID-1 pandemic disaster, on April 7, 2020. Among other things, the City's emergency authority under §44-146.21 and the Continuity of City Government ordinance permit the governing body to provide emergency assistance to victims of the disaster. Executive Order #55, issued on March 30, 2020, further ordered Virginians to "stay at home," except for specified purposes. Executive Order #55 expires on June 10, 2020.

Fredericksburg businesses need clear authority to use temporary signs and banners to communicate with the public and their customer base during this period, with respect to hours of operation and the availability of services such as delivery, take-out, and curb-side pick-up. Temporary signs are regulated under Article 5 of the City's Unified Development Ordinance, Chapter 72 of the City Code.

Under City Code §72-14.0, the Zoning Administrator and Development Administrator develop and publish a single coordinated and integrated supplemental Procedures Manual. City Council approves all revisions to the Procedures Manual, after receiving the recommendation of the Technical Review Committee.

The Zoning Administrator and Development Administrator have prepared an appendix to the Procedures Manual to provide a clear process for the application of City Code §72-59.3, "Exempted signs," subsection (F), "Temporary signs," to the use of temporary signs and banners by businesses effective immediately through June 19, 2020. The Technical Review Committee has reviewed and approved the proposed appendix through telework capabilities and recommends it for approval.

The proposed appendix is a form of emergency assistance to business victims of the COVID-19 public health emergency that will assist them in sustaining commercial activity during the emergency.

Therefore, the City Council hereby resolves that:

- the “Procedures Manual Appendix,” set forth in the memorandum from Marne E. Sherman, Development Administrator, to Timothy J. Baroody, City Manager, dated March 31, 2020, is approved;
- The appendix is temporary and shall expire on June 19, 2020, unless extended by City Council.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

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***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 April 7, 2020, by electronic communication means, at which a quorum was present and voted.*

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