



CITY OF FREDERICKSBURG, VIRGINIA

CITY COUNCIL

MINUTES

Council Chambers, 715 Princess Anne Street
Fredericksburg, Virginia 22401

ITEM #9D

HON. MARY KATHERINE GREENLAW, MAYOR
HON. CHARLIE L. FRYE, JR., VICE -MAYOR, WARD FOUR
HON. KERRY P. DEVINE, AT-LARGE
HON. MATTHEW J. KELLY, AT-LARGE
HON. JASON N. GRAHAM, WARD ONE
HON. WILLIAM C. WITHERS, JR., WARD TWO
HON. DR. TIMOTHY P. DUFFY, WARD THREE

Council Work Session

March 23, 2021

Architectural Review Board Candidate Interview Historic Preservation Update Fiscal Year 2022 Recommended Budget Discussions

The Council of the City of Fredericksburg, Virginia held a work session on Tuesday, March 23, 2021, beginning at 5:30 p.m. using electronic communication through GoToMeeting pursuant to and in compliance with the City Council Ordinance 20-05, an ordinance to address Continuity of City Government during the pendency of a pandemic disaster.

Council Present. Mayor Mary Katherine Greenlaw, Presiding. Vice-Mayor Charlie L. Frye, Jr. Councilors Kerry P. Devine, Timothy P. Duffy, Jason N. Graham, Matthew J. Kelly and William C. Withers, Jr.

Also Present. City Manager Timothy J. Baroody, Assistant City Manager Mark Whitley, City Attorney Kathleen Dooley, Community Planning and Building Services Director Charles Johnston, Zoning, Historic Resources Planner Kate Schwartz, Budget Manager Brenna Erford and Clerk of Council Tonya B. Lacey.

Architectural Review Board Interview.

James Jarrell, IV – stated that the City has a phenomenal staff to help people navigate through the Architectural Review Board process and they help people think about the end result, especially with new construction. He said he would like to make sure new things that are added compliment the downtown in the right way and not to falsify anything and he feels with the staff help they would make sure things approved were not too trendy and meet all the guidelines implemented. He said he would like to bring to the table a different way to look at things and be able to offer applicants other options when it comes to materials.

ITEM #9D

Mr. Jarrell asked the Council how they thought the ARB decisions were trending and if the end results of new construction, renovations and new projects were what the Council thought of as an evolving downtown and whether they thought things were going in the wrong direction. Councilor Kelly said that was still under construction and trying to maintain the scale and scope of a property was a balance. Many of the new development was dwarfing some of the existing properties. He said he would like to see if there were incentives beyond tax credits to help be better partners to the development community. Councilor Graham echoed the scale comments from Councilor Kelly but as far as materials and aesthetics he felt ARB would need to look at how to keep the traditional look. He said maybe the ARB needed to look at how to blend projects in more seamlessly. Mayor Greenlaw said we welcome growth and density in certain areas was needed. She said it was a balance and staff was working hard to keep the balance. Mayor Greenlaw said this was a city that had been able to grow with every century and maintain its character.

Historic Preservation Update. Historic Resources Planner Schwartz presented a PowerPoint and she discussed the following: Components of the Historic Preservation Program, Preservation Plan/Comprehensive Plan, City Codes/Preservation Ordinance, Historic District Handbook, 2018 Meetings, 2019-2021 Meetings, Plan Overview, A Vision for Preservation in Fredericksburg, Plan Goals, Historic Preservation Working Group Feedback and Initiation and Referral to the Planning Commission for review and public hearing. See Attachment I for more information.

Fiscal Year 2022 Recommended Budget Discussions. Budget Manager Erford presented a PowerPoint presentation and she discussed the following: Fiscal Year (FY) 2022 Recommended Budget, Revenue Outlook – FY 2022 Revenue Forecast, FY 2022 Meals Tax, FY 2022 Local Option Sales Tax, FY 2022 Revenue Changes, FY 2022 Revenue – Water and Sewer Fees; Personnel – New Positions, Compensation; Expenditures – FY 2022 Expenditures – Major Cost Drivers; Capital Improvement Plan – Summary by Fund (Non-Enterprise), Summary by Fund (Enterprise); State and Federal Assistance - \$1.9 Trillion American Rescue Plan, City Manager’s Proposed Uses, FY 2022 State Assistance, Upcoming Budget Adjustments; Budget Calendar.

ITEM #9D

Councilor Graham noted that he would like to shift rate increases away from water and sewer and to the real estate tax. This would put the burden more on those who could afford the increase and shift it away from those who are least able to afford them. He asked about interest rates and whether it was considered to front load many of the projects because the rates were so favorable. Ms. Erford agreed they were favorable and said it was best to enter into them when they are favorable she said there was more debt in this budget and that was because of the rates.

Councilor Kelly clarified that just because a person owns a home does not mean they have more resources he said many were on fixed incomes. He was concerned about raising taxes after coming out of a pandemic. He would like staff to bring forward what was normally rebated on the tax abatement program at the next meeting. Councilor Kelly listed many projects that the City had coming before it in the next few years and therefore he was hesitant on hiring new people and spending more money until it was known what the plans were for the schools, fire station, and water and sewer improvements on top of coming out of the pandemic. He expressed interest in how the schools have made out with their budget during the pandemic. Councilor Kelly also noted that the City had not met its goals with Advanced Life Support. He thanked staff for putting emphasis on the Fire Department this year. He had questions regarding staffing requests and whether they needed to happen now. He would like the salary looked at for the new tourism position because a top notch person was needed. The environmental position, he asked if that could be contracted out. He would like the racial equity position explained and where the city plans to go with it.

Councilor Duffy thanked staff for providing a great document which showed great investment in the community.

Councilor Devine was pleased to see the focus on the needs and the future of the City. She stated that the City had made commitment to the community and she was glad to see the money to back those commitments up. She thanked staff for recognizing their goals

Mayor Greenlaw added that the City has set high goals for itself and it had dealt with difficult issues. She explained that the racial equity position would make sure the City was doing what it was supposed to do.

Council agreed to advertise a four cent tax increase.

ITEM #9D

Mr. Baroody explained that the staff offered a three cent tax increase to help deal with the issues of employees being underpaid because City staff was still behind all its other competitors. He said he also planned to have a compensation and class study done.

Adjournment. There being no further business to come before the Council at this time. Mayor Greenlaw declared the session officially adjourned at 7:08 p.m.

**Tonya B. Lacey
Clerk of Council
City of Fredericksburg**

Historic Preservation Plan

Initiating Comprehensive Plan Amendments

March 23, 2021

Preservation Plan/ Comprehensive Plan

- Policy document that shapes preservation initiatives and goals citywide
- Addresses historic sites and resources throughout Fredericksburg
- Provides guidance for both reacting to preservation needs and for pursuing proactive policies

After conducting an initial assessment of the preservation program from April 2018 to September 2018, the Working Group focused on writing the Preservation Plan.

- **July 2018 – June 2019:** Group discussions and drafting of Preservation Plan material
- **July 2020:** Draft plan provided to working group for review
- **Fall 2020:** Staff review and incorporation of comments
- **March 2020:** Potential plan initiation and public process



- Formally applies only in the Historic District
- Expands on the codified review standards by providing guidelines for their interpretation
- Used as a tool by the ARB to guide the review process, but also intended as a resource/educational tool for applicants and property owners

Included in HP Working Group's tasks beginning in April 2018, but focused discussion began in September 2018.

- **Sept. 2018:** Assessment of existing handbook
- **Apr. 2019:** CLG Grant for consultant submitted
- **Aug. 2019:** Grant agreement finalized
- **Oct. – Dec. 2019:** RFP process for consultant
- **Jan. 2020:** Consultant began work
- **Mar. 2020:** Public meetings
- **Apr. – Dec. 2020:** Coordination b/w staff and consultant

2019-2021 Meetings

March 6, 2019	HP Working Group	Hennessy, Van Zandt, Gerlach, Kelly, Henry, James
May 1, 2019	HP Working Group and Building Staff	Constantine, James, Gerlach, Henry Building Official John Schaffer, Property Maintenance Official Paula Johnson, Asst. City Attorney Rob Eckstrom
June 5, 2019	HP Working Group	Kelly, James, Gerlach, Brown, Hennessy
September 11, 2019	Plan Intro and Outline Complete	Hennessy, Schwartz
February 5, 2020	ARB & HP Working Group	Kelly, Henry, Van Zandt, Davis, Gerlach, Irvin, Moss
March 8, 2020	HD Handbook Public Forum	Approx. 50 attendees
March 12, 2020	HD Handbook Public Forum	Approx. 15 attendees
July 1 – August 12, 2020	HP Working Group review of Preservation Plan draft (remote)	Hennessy, Kelly, Duffy, Davis, Gerlach, Henry, James, Van Zandt, Brown, Constantine
March 18, 2021	HP Working Group	Hennessy, Gerlach, Henry, Ross, James

Working Group Members: Matthew Kelly (City Council), Timothy Duffy, Ph.D. (City Council), Jonathan Gerlach (ARB), Carthon Davis (ARB, 2018-2020), Helen Ross (2021-present), John Hennessy (NPS), Christine Henry, Ph.D. (UMW), Sophia Constantine (Main Street), Scott Walker (HFFI, 2018), David James (HFFI, 2019-present), Jon Van Zandt (local development), and Mitzi Brown (EDA)

A Vision for Preservation in Frederickburg

In Frederickburg, preservation is a core community value.

In this city, preservation is a **forward-thinking** ethic embraced by a community committed to retaining a **distinctive identity** rooted in (but not limited by) its history—the sites, buildings, landscapes, views, natural resources, and sense of place that define its character and make it both **uniquely livable and highly marketable**. Preservation is an essential part of the city’s physical, economic, and cultural evolution—the continued building of a community that capitalizes on its greatest assets and embraces its physical and cultural diversity and diverse perspectives on the past. Preservation can be a tool for equity, giving voice and visibility to underrepresented people. **Preservation is a foundation stone of Frederickburg’s prosperity and future.**

Plan Goals



Pursue a program of inventory and evaluation of resources beyond the current historic district.



Enhance incentives and non-regulatory tools for preservation.



Reconcile conflicts between zoning regulations and the City's preservation goals.



Build equity and create a more inclusive preservation program.

Historic Preservation Working Group Feedback

- Reflect the current status of various initiatives
- Assess language specifically related to racial equity to ensure we are reflecting current conversations
- Minor formatting tweaks to the goals/policies/initiatives to ensure clarity
- Add a policy encouraging expanded use of ARB as a resource



FY 2022

**City Manager's
Recommended Budget**

City of Fredericksburg

March 23, 2021



City of Fredericksburg, VA
Recommended Budget
Fiscal Year 2021-2022



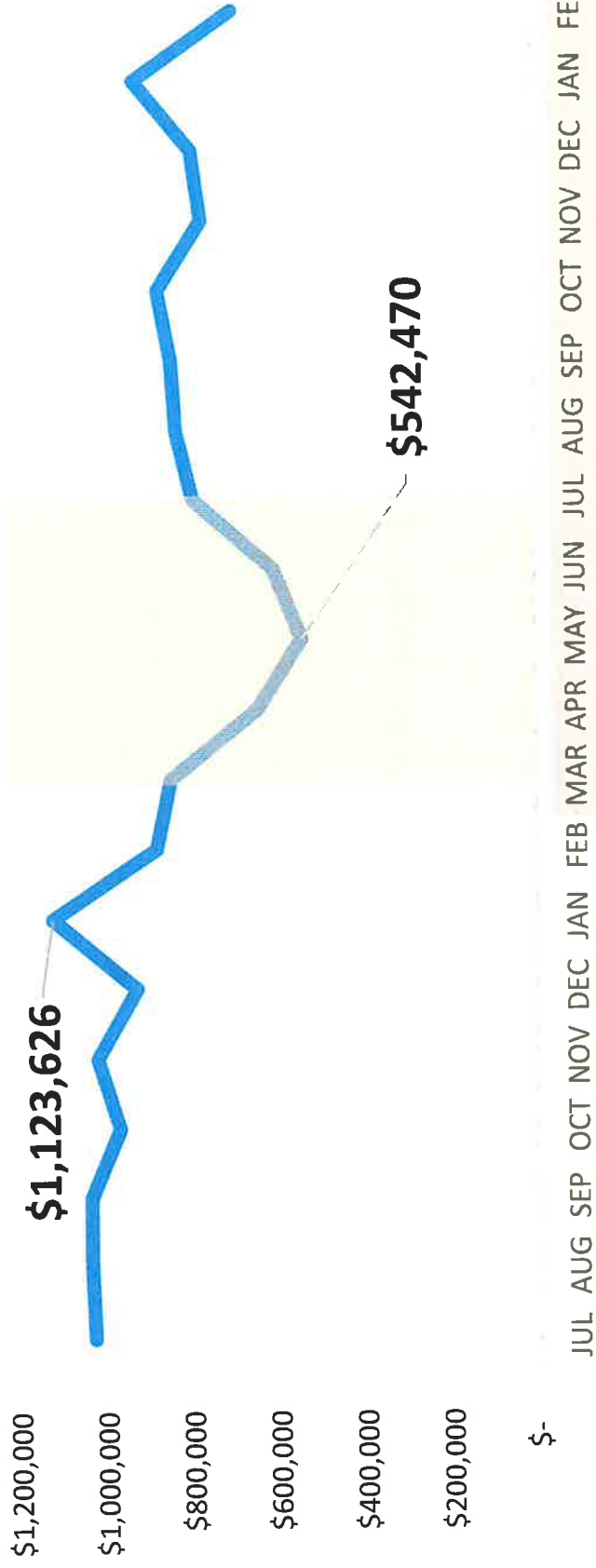
Attachment II

Revenue Outlook

FY 2022 City Manager's Recommended Budget

FY 2022 Meals Tax

Meals Tax Monthly Collections - FY20 - FY21 YTD



FY 2022 Revenue Changes

Real Estate Tax

- Proposed 3 cent rate increase
 - Equalization rate: \$0.80 / \$100 valuation
 - Proposed rate: \$0.83 / \$100 valuation
 - Estimated FY 2022 revenue impact: **\$1,350,000**
- Median FXBG Home Value: **\$347,113**
- Impact of tax increase: **\$104**
 - \$2,777 under \$0.80/\$100 valuation; \$2,881 under \$0.83/\$100 valuation

FY 2022 Revenue – Water & Sewer Fees

- Implementation of planned FY 2021 10% increase based on City-commissioned rate model was delayed due to pandemic
- Recommended rate implementation effective July 1, 2021 expected to generate approximately:
 - **\$250,000** for Water
 - **\$560,000** for Wastewater

New Positions

General Fund

- 5 net new positions in budget (7 new – 2 unfunded)
- 3 Restorations

Other Funds

- 4 new positions – 3 in Transit and 1 in Wastewater

Expenditures

FY 2022 City Manager's Recommended Budget

Capital Improvement Plan

FY 2022 City Manager's Recommended Budget

FY 2022 Capital Improvement Plan

City Project Highlights (Non-Enterprise)

- Colonial Streetlights Replacement (\$1.5 million)
- Canal Trail Pedestrian Bridge Replacements (\$1 million)
- Stormwater Projects

Multi-Year Projects

- Pond “D” Improvements
- Energy Retrofits Initiative (joint procurement with FCPS)
- New Fire Station & Station 1 Renovation

FY 2022 Capital Improvement Plan

City Project Highlights (Enterprise)

- Water Meter Replacement
- Motts Run Expansion
- Wastewater Treatment Plant Upgrade & Consolidation

FY 2021-2022 Federal Assistance

\$1.9 trillion American Rescue Plan

- ***Fredericksburg City estimated Local Assistance benefit: @ \$5.6 million***
 - Payment in 2 tranches: mid-May & mid-November
 - Allowable uses: Revenue replacement*, Premium pay for essential workers, individual and small business assistance, and/or investments in water, sewer and broadband infrastructure
 - Prohibited uses: Offset of tax cuts, delay of tax increases, OPEB liabilities

* for the provision of government services to the extent the reduction in revenue due the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency

FY 2022 Federal Assistance

\$1.9 trillion American Rescue Plan

- Coronavirus Capital Projects Fund: \$10 billion
 - ***\$222 million for Virginia***
- Emergency rental assistance: \$21.5 billion
 - ***\$450.7 million for Virginia***
- Education stabilization fund: \$128.5 billion
 - ***\$2.1 billion for Virginia, TBD on distribution to FCPS***
- Low-income water & energy assistance: \$5 billion
- Emergency paid sick leave credits: FFCRA

FY 2022 State Assistance

Fredericksburg City Public Schools

- Total estimated FY 2022 state funding: **\$19.56 million**
 - **\$849,309 increase** from FY 2021 (4.5%)
- State compensation supplement for 5% increase: **\$513,471**
 - Not funded in FY 2021
 - Local match (via State): \$720,834
- At-Risk - **\$464,844**
 - **\$132,238 increase** from FY 2021 (39.8%)
- Virginia Preschool Initiative - **\$474,610**
 - **\$370,231 increase** from FY 2021 (354.7%)

Budget Calendar

FY 2022