



CITY OF FREDERICKSBURG, VIRGINIA

CITY COUNCIL

MINUTES

Council Chambers, 715 Princess Anne Street
Fredericksburg, Virginia 22401

ITEM #9B

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. JONATHAN A. GERLACH, WARD TWO
HON. DR. TIMOTHY P. DUFFY, WARD THREE

City Council Work Session

April 19, 2022

FY 2023 Recommended Budget Discussion

The Council of the City of Fredericksburg, Virginia held a work session on Tuesday, April 19, 2022, beginning at 5:30 p.m. in the Council Chambers of City Hall.

Council Present. Mayor Mary Katherine Greenlaw, Presiding, Vice-Mayor Charlie L. Frye, Jr. and Councilors Kerry P. Devine, Timothy P. Duffy, Jonathan A. Gerlach, and Matthew J. Kelly.

Council Absent. Councilor Jason N. Graham, due to a family conflict.

Also Present. City Manager Timothy J. Baroody, Assistant City Manager Mark Whitley, Assistant City Manager David Brown, City Attorney Kathleen Dooley, Director of Finance Robyn Shugart, Assistant Director of Finance Richard Lawrence, Budget Analyst Donna Leahy, and Deputy Clerk of Council Brenda T. Martin.

FY 2023 Recommended Budget Discussion. Mayor Greenlaw opened the meeting and called on City Manager Baroody who then asked Finance Director Shugart to lead Council on the Budget discussion.

Finance Director Shugart presented a PowerPoint that reviewed FY 2023 Budget items of Review of Propositions, Reassessment Update, State Budget and Upcoming Budget Meetings. See attachment.

Finance Director Shugart reviewed the following City Staff Propositions: Personal Property Tax Adjustment, General Fund Transfer to Schools for the Potential New Middle School, Adjust Potential New School CIP for Interim Agreement transfer in FY 2022, Riverfront Park Improvements, Partner Agency addition and Addition to Contingency line.

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Finance Director Shugart reviewed the Reassessment Update with the FY 2023 Recommended Budget including funding to conduct a general property reassessment with a recommended effective date of July 1, 2024, which will provide a full two calendar years to contract and work on the reassessment. This process would not finalize values until winter and spring of 2024. The source of the funds is unassigned fund balance.

Finance Director Shugart then reviewed the State Budget. The General Assembly convenes April 27, 2022 and staff will have to wait to see what decisions are made and how they may impact the FY 2023 Recommended Budget. The following revenue sources will be reviewed once the State finalizes their budget: Sales Tax (Grocery Tax), Compensation Board, Street and Highway Maintenance (VDOT), Motor Fuels Tax, State Appropriated Funds for WWTP and Inflow & Infiltration, and WQIF Grant, Social Services/Children's Services Act, Police Funding – 599 Funds, and Schools.

Finance Director Shugart then provided an overview of the upcoming Ordinances and Resolutions for the April 26, 2022 Regular Meeting and the May 10, 2022 Regular Meeting.

Finance Director Shugart then asked the Council if they had any additional Budget Propositions they would like to discuss.

Councilor Gerlach brought up the Clean Energy Resolution of December 2019 and the 2035 Sustainability Goals of 100% renewable energy. He suggested this summer would be a good time to plan what it would cost to convert the city's fleet to electric vehicles. He is hearing from his constituents that they would like the City to have a study done to determine what the fleet conversion would cost. That would include charging infrastructure. He suggested looking at the Virginia Clean Cities study, like what was done for the Police Department's fleet.

City Manager Baroody stated that staff has begun preparing for an early summer update on the 2035 Sustainability Goals. He stated the City in joint procurement and coordination with the Schools, is completing an energy audit of all city buildings. He said the Police Department has procured six electric vehicles but due to supply chain issues the delivery dates are delayed.

Mayor Greenlaw suggested the Sustainability Coordinator could come and update the Council on the progress the city is making on this issues.

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Councilor Duffy disclosed that he was an employee of the Fredericksburg Public School system and he was able to participate in the following transactions fairly, objectively and in the public interest.

Vice-Mayor Frye disclosed that his spouse was an employee of the Fredericksburg Public School system and he was able to participate in the following transactions fairly, objectively and in the public interest.

There being no more discussion on Propositions, Mayor Greenlaw brought up the topic of the Mary Washington Healthcare (MWHC) possible land swap with the 2300 Fall Hill Avenue building and that it does not appear the City has a viable option at this time. She reviewed the process the City has gone through to explore that option fully. In December 2021 Dr. McDermott sent a letter to the City Manager offering the land swap, in January 2022 the Joint City/School Board Task Force discussed the offer, Council postponed the planned January 2022 public meeting on the School Interim Agreement, the Economic Development Authority (EDA) underwrote a feasibility study on the 2300 Building, Mosley Architects were hired by the school to undertake the feasibility work in February, the work was concluded in March and made public, which concluded that the building has value but not easily transformed into a school, the City Manager received direction to further engage MWHC with the EDA, a meeting occurred to discuss the "gap" in value between the 10 +/- acres at Idlewild and the 2300 Building, the staff and the EDA determine the 2300 Building is currently out of reach, and finally the City Manager has recommended that he be given authority to communicate to MWHC that the pursuit of the 2300 Fall Hill Avenue Building has ended with the City.

Councilor Kelly stated that the 2300 Building was also being explored as a possible location for Work Force Development and working in coordination with Germanna Community College. He asked what will become of the Work Force Development momentum and drive? He asked that the City not take the surplus Idlewild Property off the tax rolls, which is an important commercial property in the City.

Mayor Greenlaw agreed that this is important commercial property in the City and that it should not all be used for the school. She stated the Economic Development Authority is working with the Mary Washington Healthcare to keep the offices of the 2300 Building in the City, if/when the building is sold. She stated that the City encourages the business offices to stay in the City as well.

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Councilor Kelly emphasized the importance of the economic opportunity the Idlewild property could have for the City. Councilor Gerlach agreed that it is important to explore all economic opportunities with this piece of land and that it is important to keep the Work Force Development momentum. Councilor Duffy is as well interested in exploring commercial opportunities with land and weigh its impact on the community and would like to see more the details on the footprint of the school. He agrees the Council needs to continue to explore work force opportunities with Germanna and the University of Mary Washington and any others. He asked that underutilized commercial areas be considered for use like the Mary Washington Healthcare potential re-location.

Vice-Mayor Frye agrees with the decision on ending the discussion on the land swap and that that it was an important project to take the time to explore the possible options. He asked Mary Washington Healthcare to continue to consider to work with the schools in developing a nursing program in work force development. He does not want to see those jobs at 2300 Fall Hill Avenue go to another locality.

Mr. Baroody stated he will let Mary Washington Healthcare know that the land swap deal offer is officially a no thank you. He will also encourage them to retain their employees in the City and emphasis that the City will continue to work with them in finding a new location for their employees and transitioning 2300 Fall Hill Avenue to the private sector.

Adjournment. There being no further business to come before the Council at this time. Mayor Greenlaw declared the work session officially adjourned at 6:12 p.m.

**Brenda T. Martin
Deputy Clerk of Council
City of Fredericksburg**

Budget Work Session

April 19, 2022

FY 2023

Recommended Budget



Agenda

- Review of Propositions
- Reassessment Update
- State Budget
- Upcoming Budget Meetings

Review of Propositions

- Personal Property Tax Adjustment
 - Personal Property Rate update, temporary change \$3.40 to \$2.95
 - Vehicle License Fee Elimination
- General Fund Transfer to Schools for the Potential New Middle School, \$4M
- Adjust Potential New School CIP for Interim Agreement transfer in FY 2022, \$1.3M
- Riverfront Park Improvements
 - Potential U.S. Economic Development Administration Grant, \$1.2M
 - Use of Public Works Committed Capital Fund Balance, \$300,000
- Partner Agency addition
 - FailSafe-ERA, \$5,000
- Addition to Contingency line \$650

Reassessment Update

- FY 2023 Recommended Budget includes funding to conduct a general property reassessment
 - Effective date of July 1, 2024 (no effect on FY 2023 & FY 2024)
 - Provides two full calendar years to contract and work on the reassessment
 - Past cycles generally took one year to eighteen months – last assessment was delayed due to the pandemic
 - Necessary because there are more parcels as well as different operation of new software
 - Would not finalize values until winter & spring of 2024
- Source of funds is unassigned fund balance

State Budget

- General Assembly reconvenes April 27, 2022
- Revenue sources in the recommended budget that will be reviewed once the State finalizes the budget:
 - Sales Tax (Grocery Tax)
 - Compensation Board
 - Street and Highway Maintenance (VDOT)
 - Motor Fuels Tax
 - State Appropriated Funds for WWTP and Inflow & Infiltration, and WQIF Grant
 - Social Services/Children's Services Act
 - Police Funding – 599 Funds
 - Schools

Upcoming Budget Meetings

April 26, 2022

5:30 pm Budget Work Session

7:30 pm City Council Regular Meeting

ORDINANCES

- First Read, Setting the Real Estate Tax Rate at \$.86 per Every \$100 of Assessed Value of Real Estate for Fiscal Year 2023
- First Read, Amending Water and Sewer Fees Rates and Charges
- First Read, Amending the Fee Schedule for Planning and Zoning Applications

RESOLUTIONS

- Amending the Schedule of Fees for Building Services
- Transmittal of Resolution, Setting Rates of Compensation for Members of the Fredericksburg Planning Commission, Architectural Review Board, and Board of Zoning Appeals
- First Read, Adopting and Appropriating Funds for Fiscal Year (FY) 2023 Beginning July 1, 2022 through June 30, 2023. City of Fredericksburg Operating, Capital, and Fredericksburg City Schools

Upcoming Budget Meetings

May 10, 2022 7:30 pm City Council Regular Meeting

ORDINANCES

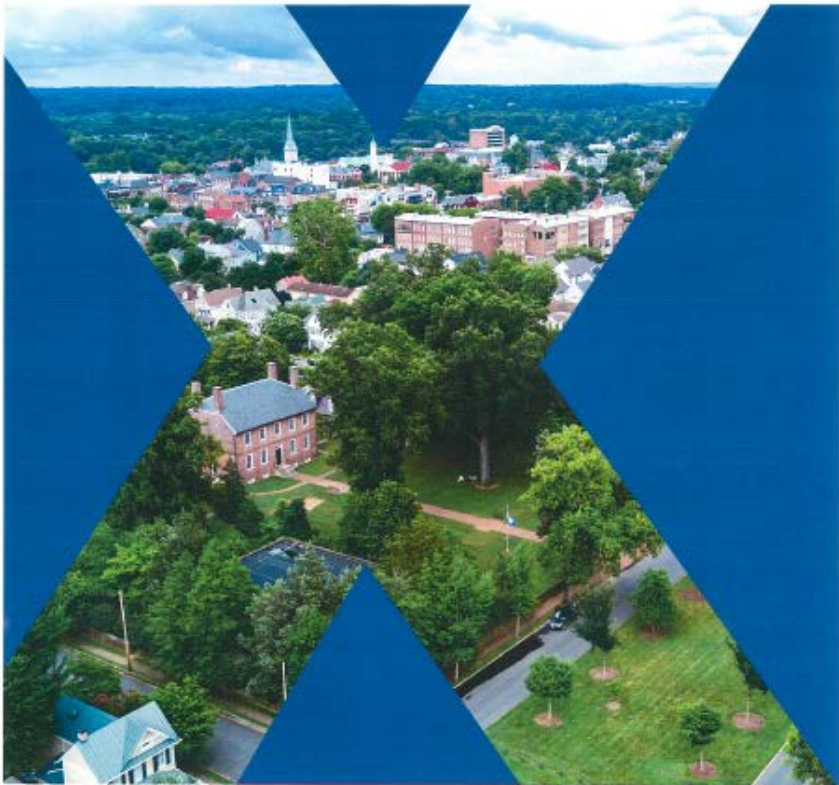
- Second Read, Setting the Real Estate Tax Rate at \$.86 per Every \$100 of Assessed Value of Real Estate for Fiscal Year 2023
- Second Read, Amending Water and Sewer Fees Rates and Charges
- Second Read, Amending the Fee Schedule for Planning and Zoning Applications
- First & Second Read, Amending City Code Section 10-333 to Enable City Council to Provide for Compensation to the Members of the Fredericksburg Planning Commission, in Accordance with Virginia Code §15.2-2212

RESOLUTIONS

- Setting Rates of Compensation for Members of the Fredericksburg Planning Commission, Architectural Review Board, and Board of Zoning Appeals
- Second Read, Adopting and Appropriating Funds for Fiscal Year (FY) 2023 Beginning July 1, 2022 through June 30, 2023. City of Fredericksburg Operating, Capital, and Fredericksburg City Schools
- Adopting the Fiscal Year 2023 – Fiscal Year 2027 Capital Improvement Plan

We will convene for the Budget
Public Hearing at 7 p.m.
Thank you

Questions?



City of Fredericksburg, VA
Recommended Budget
Fiscal Year 2023

FXBG
City of Fredericksburg, Virginia

