



CITY OF FREDERICKSBURG, VIRGINIA

CITY COUNCIL

# MINUTES

Council Chambers, 715 Princess Anne Street  
Fredericksburg, Virginia 22401

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

## Council Work Session

March 28, 2023

### FY 2024 Recommended Budget Discussions

#### Economic Development Strategic Plan

**The Council** of the City of Fredericksburg, Virginia held a work session on Tuesday, March 28, 2023, 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. (Call In), Councilors Kerry P. Devine, Timothy P. Duffy, Jonathan A. Gerlach, Jason N. Graham, and Matthew J. Kelly.

**Also Present.** City Manager Timothy J. Baroody, City Attorney Kathleen Dooley, Director of Finance Robyn Shugart, Director of Economic Development and Tourism, Assistant Director of Finance Tripp Lawrence, Economic Development Specialist Amy Perego, Assistant Director of Tourism Margret Morris, Assistant City Manager Mark Whitley, Assistant City Manager David Brown, Budget Analyst Donna Leahy, and Clerk of Council Tonya B. Lacey.

**FY 2024 Recommended Budget Discussion.** Ms. Shugart presented a PowerPoint presentation and in her presentation she recapped the 2024 budget at a glance, she discussed the two propositions received, Water and Wastewater Operating Fund, Water Fund – Operating and Capital, Wastewater Fund – Operating and Capital, Water and Wastewater Operating and Capital (Current Rates and Recommended Rates), Water and Wastewater Operating and Capital (Sample Utility Bills in comparison with neighboring Counties), Capital Improvements Plan – FY 24 Capital Budget, New Projects Included in the FY24- FY28 Capital Improvements Plan – Public Works Fund, New Projects Included in the FY24- FY28 Capital Improvements Plan –Public Facilities Fund, and Carryover of Previous Year’s projects.

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

Mr. Whitley asked for Council's consent for the advertisement for the real estate tax fee. He noted they would also be advertising the connection fees, EMS fees, Parks and Recreation fees and the personal property tax.

The City Manager recommended an increase in the real estate tax from \$.86 to \$.88 and an increase in the hotel tax from six percent to eight percent, water and sewer fees ten percent, and connection fees increase of \$1000 to \$1700. The EMS fee for basic life support will increase \$50 and advanced life support will increase \$150. He explained that there were numerous parks and recreations fees.

Mr. Whitley reminded the Council that because of state code changes they were able to segregate personal property along lines that allowed for most classes, including business classes to be taxed at one rate but personal property related to vehicles to be taxed at a separate rate. This was due to the severe increase in values for vehicles related to the pandemic. The Council, after discussion with the Commissioner and staff, decreased the rate from \$3.40 to \$2.95 for one year. He said he would like to hold a public hearing on this with all the other rates and charges. The Commissioner will be sending off the values to NADA to get the used car book values and staff anticipates they will be able to recommend a rate for the Council to adopt in April. Mr. Whitley said they will recommend changing the due date for the bills to June 5.

There was discussion on why Stafford and Spotsylvania's water rate are so different from the City's and Ms. Shugart explained that they have tiers and it is not an apple for apple comparison and she stated that the counties bill monthly. Councilor Graham stated that he would like to learn more about their tier structure because he said water is going to become a scarcer and scarcer resource and he was wondering if it would be a good idea to investigate the much higher rates for the higher usage of water.

Councilor Gerlach said he would be interested in seeing the breakdown of commercial water usage versus residential to see the comparison. Ms. Shugart explained that there are lots of variables that go into rate structures.

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

Mr. Whitley reminded the Council that the City already has a increasing block rate and it varies based on the size of the meter.

Councilor Gerlach asked for an explanation on what the classification and compensation study was for and Mr. Whitley explained that it is taking a look at all the positions in the city and comparing them to local labor markets and making recommendations on how to make adjustments.

Mr. Whitley explained that personal property tax rate would need to be discussed and he said Councilor Kelly sent an email stating that the Council should consider a \$.02-.03 higher rate than what was being proposed.

Councilor Graham said he recommended \$.04-.05

Councilor Gerlach Suggested \$.06

Councilor Devine Suggested \$.05

Councilor Duffy \$.04-.05

Vice-Mayor Frye \$.05

Mayor Greenlaw \$.05

The rate would be advertised at \$.05.

Ms. Shugart reviewed the budget calendar

**Economic Development Strategic Plan.** Mr. Freehling briefed the Council on the Economic Development Strategic Plan. Five years ago the strategic plan was adopted and it has guided the efforts since then. He said it is time to update the plan and the intent is to update the plan every five years.

Mr. Freehling said the plan is guided by the Council's 2036 Vision Statement. They took the plan to the Economic Development Authority and they endorsed it.

The plan is broken into three parts with three appendices. Part One is a review of the accomplishments made since 2017. It also reviews the work of Chmura Analytics out of Richmond.

The second appendix is the results of the Chmura Survey which the business community was surveyed on what the Economic Development office does well, not so well, strengths, weaknesses, opportunities etc. The survey formed a large part of the strategic goals of the plan.

The final appendices are the 2017 Economic Development Strategic Plan. He said they are proud of the accomplishments over the last six years. Those accomplishments include the baseball stadium, good progress on the Expo Center, the redevelopment of the Free Lance-Star site and Riverfront Park. He mentioned the Federal grant to put a stage and bathrooms at Riverfront park, the work on the Small Area Plans, the Creative Maker District, FredCat, and the Library's Makerspace, the hiring of an Assistant Director of Tourism and the redesign of FXBG.com, the new Visitor Center video, plans to sell the current Visitor Center and move to the new Visitor Center. Mr. Freehling said they also assisted with grants and provided assistance to businesses during COVID, they launched the FXBG Diverse City to highlight the diversity in the Community, made the whole City a technology zone, entered into a RIFA with King George and helped develop the FXBG brand and helped businesses navigate the Chatham Bridge.

Mr. Freehling said part two was a real brief review of the Chmura work that gives an update on what they did. The Strategic Goals are based on the Chmura work, the Council Priorities, the Comprehensive Plan and the EDA's goals for the City and some staff input.

There are ten goals and each have an action items. The Goals are: Recruit new businesses to the City, develop pro-business policies, enhance the City's tourism operation, with a focus on sports tourism, enhance public infrastructure that will drive tourism, redevelop City consistently with Small Area Plans, Maximize the potential of the City's few remaining greenfield sites, Help create a competitive workforce, Enhance the City's marketing strategy, Help develop an entrepreneurial ecosystem and Analyze City-owned real estate.

Councilor Gerlach expressed that he was heartened to see the equal treatment given to business development and historic preservation. He said it shows that the City can be both a community that is a leader in historic preservation as well as an economic vibrant center of the region.

Councilor Graham agreed with Councilor Gerlach and he said he would like to see more about enhancing public infrastructure, that will drive tourism and he said he believed the

enhanced infrastructure would drive business. He said walkability can increase business revenues. He said he would like to see more promotion of that and he would like to include that in Goal 5.

Councilor Duffy stated that he was very supportive of hiring a business development manager. He asked for clarification on the sports tourism and Mr. Freehling listed a couple of ways to boost sports tourism the first was by making a physical investment and investing in events coming to the City.

Councilor Devine stated how impressive it was to see the amount of projects that have been done, encourage and supported by the Economic Development office and she was appreciative of the partnership made with Fredericksburg Regional Alliance and the Economic Development Authority. Councilor Devine was also happy to see the entrepreneurial piece in the plan because the backbone of the City's local economy is the small businesses. He stated that she has heard great feedback on the businesses that Mr. Freehling highlighted for the investments they have made in the City. She said the walkability and the tree canopy makes it a place the people want to spend time in.

Mayor Greenlaw said when she attends the ribbon cutting she always hear the compliments of staff and the economic development employees as well as building services and planning. She said she appreciates that the City has a forward thinking EDA that come up with initiatives to grow existing businesses as well as attract new ones.

Mr. Freehling said it was team effort and it could not be done without the team.

**Adjournment.** There being no further business to come before the Council at this time. Mayor Greenlaw declared the session officially adjourned at 6:42 p.m.



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