



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

## Work Session

April 11, 2023

### Fiscal Year 2024 Recommended Budget

#### Planning Updates – PD-R Zoning, Residential Regulation Text Amendment

**The Council** of the City of Fredericksburg, Virginia held a work session on Tuesday, April 11, 2023, beginning at 5:30 p.m. in Council Chambers.

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

**Also Present.** City Manager Timothy J. Baroody, Assistant City Manager Mark Whitley, Assistant City Manager David Brown, City Attorney Kathleen Dooley, Finance Director Robyn Shugart, Assistant Director of Finance Richard Lawrence, Budget Analyst Donna Leahy, Police Chief Brian Layton, Fire Chief Mike Jones, Deputy Fire Chief Victor Podbielski, Human Resources Director Lesley Moore, Assistant Director of Human Resources Anne Sexton, Planning and Building Services Director Charles Johnston, Principle Planner Michael Craig and Clerk of Council Tonya B. Lacey.

**Disclosures.** Councilor Duffy disclosed that he was employed by the Fredericksburg School System and he could participate fairly, objectively and in the public interest.

Vice-Mayor Frye disclosed that his spouse was employed by the Fredericksburg School System and he could participate fairly, objectively and in the public interest.

**Fiscal Year 2024 Recommended Budget.** Finance Director Shugart presented a PowerPoint presentation and she reviewed the FY2024 Budget at a Glance – Recap, Update to Wastewater Capital Improvement Plan, Personal Property Update, Real Estate Tax Scenarios, Proposed Propositions, and Classification/Compensation. (See Attachment I for more information).

Ms. Shugart had questions from Council regarding the Clean Water Revolving Fund loan interest rate and an estimate on the debt service and she stated that the interest rate was 2.75 percent and it was determined on the month in which it closed. She did not have the exact amount of the debt service.

Councilor Duffy asked to discuss the requests from the schools for additional money until they receive their State funding and then they would reimburse the funds to the City.

Mr. Baroody noted that staff was asked to look at an additional \$.02 tax increase and he said there was still one penny remaining if the Council wanted to use it for the schools.

Councilor Kelly said when he proposed the increase in tax rate it was specifically for the police, fire and city employees. He noted that the City Manager gets a bare bones budget for his departments and he has to continue to cut and the schools have a lot of outstanding costs they cannot give answers to. He said he would like to see shared services discussed more. He added that the City staff has been held back for years to do other thing and it was time to take care of them.

Human Resources Director Moore discussed the PowerPoint slide on Health Insurance and she explained the three plans, the tiers that are available to the full-time employees, dependents, retirees who are not eligible for Medicare coverage. The City also has dental and vision options. The City paid \$4,496,748 in claims cost in FY 2021 and \$5,442,354 in FY 2022 and the year to date for FY 2023 is \$4,870,195. Ms. Moore explained that Request for Proposals had been issued and they received several responses. The City Committee reviewed all the proposals and determined that it would be best to stay with Anthem. They also reviewed the Local Choice program but there would have been significant disruption in coverage and in premiums. The Committee selected Delta Dental for the dental insurance.

Councilor Gerlach asked if the City was self-insured and whether Anthem was reinsured and she explained that the City was self-insured and it was reinsured through Anthem.

Councilor Kelly thanked staff for including the employees on the Committee that made the decisions on the insurance. He asked who would be picking up the 12.39% premium increase. Ms. Moore said it would be picked up by both the employee and employer. He asked how the City compared to neighboring counties and Ms. Moore said it was hard to compare because each of the jurisdictions was reviewing it in their budget and it was not apples to

apples. She said currently Stafford employees pay 15% for employee only, 17% for employee/child, and employee spouse.

Assistant City Manager Whitley discussed the class and compensation study and said he understood that the Council wanted to use the additional \$.02 for public safety. He reviewed the memo that he submitted explaining the proposed compensation plan. (See Attachment II for more information).

Councilor Devine asked how many positions were unfilled and Mr. Baroody said the last number was 25 positions. She noted that the City was competing and in the past the City has given bonuses but they do not help with Virginia Retirement System. She was glad the staff was recommending this approach. She said the \$.02 would go a long way in helping to retain employees.

Councilor Graham asked if staff was concerned about the jump from entry level to higher levels and Mr. Whitley explained that the increase in value of 10 percent puts the City in close region of the neighboring counties as they are today. He said they were more focused on the mid-level range.

Councilor Kelly thanked staff for putting this together. He said it moves the City in the right direction. He said the bigger issue is where an employee would be in five years. He said when adding additional items to the budget, it must be understood that there are people that need to be taken care of.

**Propositions.** Councilor Gerlach stated that Sister Cities was provided \$2,000 in the budget and they asked that it be increased to \$6,000. This increase is to assist with the cost to hold their events. He asked staff to find the \$4,000. See Attachment III for more information.

Councilor Gerlach also noted that the gap for funding of the cold weather shelter was getting wider for Fredericksburg compared to Spotsylvania and Stafford. He acknowledged that the city had set aside \$2 million for homelessness and he did not want to chip away at those funds. He asked if the staff could find \$38,000 to add to the cold weather shelter funding to get the city more in line with the counties. See Attachment IV for more information.

Councilor Kelly requested the budget funding of the cold weather shelter so he could see their needs.

Mayor Greenlaw applauded the counties for recognizing there was a need at the cold weather shelter and she acknowledged that they have much larger populations than the City and she was not inclined to match their contributions.

Councilor Graham said he would like to know where the need was for the cold weather shelter and whether the needs were not being met because of a shortage from the City.

Ms. Shugart reviewed the upcoming budget meeting schedule.

Mayor Greenlaw expressed the Council's pleasure with the work staff put in for the compensation proposal.

**Planned Development – Residential Zoning (PDR).** Principle Planner Craig gave a PowerPoint presentation and in his presentation he discussed the following: Population and Housing Unit Projections, the Status of the City's Housing Market, Policy/Ordinance Updated for Moving Forward, Why Modify Planned Development – Residential, Review the Proposed Modifications to Residential Regulation and next Steps.

Councilor Gerlach was encourage that staff was looking at ways to incentivize building smaller units. He thought this was a great way to help with the cost of living in the City.

Councilor Kelly said he does not understand why the City was going beyond the R-16 and R-32 zoning that the City got rid of years ago. He said the City needs another Comprehensive Plan review. He said what the other localities, specifically Spotsylvania and Stafford, are doing will have a significant impact on the City.

Councilor Graham asked if cemeteries and mausoleums were typically seen in PDR zoning. Mr. Craig said when looking at elements that make a community those are often components that are included. He said as the City looks to the future he would like to try to find a way that people do not have to get into cars no matter where they live in the City. He would like the City to maintain that it is the Hub of a rapidly growing metropolitan area and in order to get the business tax base the City must growth through it. Councilor Graham also added that the City must provide adequate housing for those working in the service industry.

Mr. Craig stated that what they have done was based on a Comprehensive Plan update. He reviewed the slide with the population per square mile and it shows that the City was approaching sustainable density for things such as walkable trail networks, mixed uses that people can get to without getting in their cars. He said in the Area Plans they wrestled with

balancing the need to accommodate the traffic from Spotsylvania and Stafford versus having people live and work in the City. The units per acre are difficult in the eastern portion of the City.

Mr. Craig said they still have control over units per acre in the western portion of the City. The 24 units per acre will produce different types of housing that serve different segments.

Mr. Craig said the Residential Regulation Amendments would be initiated at the April 26 meeting and the PDR would come to Council for public hearing on May 9.

**Adjournment.** There being no further business to come before the Council at this time. Mayor Greenlaw declared the session officially adjourned at 7:12 p.m.



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

**APPROVED**  
**10-24-23**