City of Fredericksburg

CITY COUNCIL WORK SESSION AGENDA

WEDNESDAY, MAY 19, 2021 ~ 8:30 A.M.
LADY BIRD GOLF COURSE-CARDINAL ROOM
341 GOLFERS LOOP – FREDERICKSBURG, TEXAS 78624

Charlie Kiehne, Mayor	Jerry M. Luckenbach, Councilmember
Tom Musselman, Councilmember	Kathy O'Neill, Councilmember
Bobby Watson, Councilmember	Kent Myers, City Manager

The City of Fredericksburg City Council will meet in a Work Session on Wednesday, May 19, 2021 at 8:30 a.m.

Link to City of Fredericksburg YouTube Channel Fredericksburg, Texas USA - YouTube (https://www.youtube.com/channel/UCrhnIFjVfDS1SPBJD2pYKcQ/featured)

Audio of this meeting will be recorded and uploaded to the City website following the conclusion of the meeting.

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1. CALL TO ORDER

2. PUBLIC COMMENTS

The City Council welcomes citizen participation and comments at all City Council Work Session. The City Council offers citizens the opportunity to address them by signing up to speak prior to the meeting and to limit comments to 3-minutes.

NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject must be limited to a proposal to place the subject on the agenda for a future meeting and any response to a question posed to the City Council is limited to either a statement of specific information or recitation of existing policy. TEX. GOV'T CODE § 551.042.

Written Comments: to be submitted remotely:

1. Must be received by 3 p.m. on May 18, 2021.
2. Complete the Citizen Comment Form online at Fredericksburg, TX - Official Website (fbgtx.org); or
3. Email your comments to CitizenComments@fbgtx.org or
4. Complete a Citizen Comment Form located inside the Public Access entrance at 126 W. Main Street, Fredericksburg, Texas, and place in the box marked Citizen Comment Form.

Copies of the submitted comments will be provided to the City Council and made public on the City website under the "***May 19, 2021***, City Council Work Session" tab.

Verbal Comments:

1. Sign up in-person between 8 a.m. and 8:30 a.m. at the Golf Course-Cardinal Room in order to comment.
2. You will be limited to 3 minutes to speak.

4. WORK SESSION ITEMS

The following items will be considered, discussed, and take appropriate action on:

A. Discuss possible changes to City Council Rules of Procedure (Kent Myers, City Manager).
(Agenda Packet Pages 5-10)

B. Report and Discussion on Possible Reuse of Facilities at the FISD Middle School Campus (Kent Myers, City Manager/Garret Bonn, Assistant City Engineer).
(Agenda Packet Pages 11-14)

C. Report and discussion on proposed Mid-Year Budget Amendments (Kent Myers, City Manager/Laura Hollenbeck, Finance Director)
(Agenda Packet Pages 15-30)

D. Report and discussion on FY 2022 City Council Budget Priorities and Budget Schedule (Kent Myers, City Manager).
(Agenda Packet Pages 31-32)

5. ADJOURN

This is to certify that I, Shelley Goodwin, posted this Agenda at 8:45 a.m. on May 13, 2021, at the entrance and on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.

Shelley Goodwin, TRMC
City Secretary

Date: May 12, 2021

To: Mayor and City Council

From: Kent Myers, City Manager

Subject: City Council Work Session-May 19

The next City Council Work Session is scheduled for this Wednesday at 8:30 a.m. at the Cardinal Room at Lady Bird Johnson Golf Course. Breakfast will be served prior to the meeting starting about 8:00 a.m. If you can stay around after the Work Session, lunch will be served about noon. Attached is the agenda for this meeting along with reports on several of the agenda items. As a reminder, the Work Session is for discussion purposes only and no formal actions will be taken at this meeting.

The first agenda item scheduled for discussion involves possible changes to the City Council Rules of Procedure. If the Council wants to make changes to the attached Rules of Procedure, then we will schedule approval of these changes at your next Council meeting. The areas that have been recently discussed for possible revision include the public comment guidelines and adding an invocation at the beginning of each Council meeting. Please review the attached Rules of Procedure and feel free to identify any other changes that you would like to propose.

The second agenda item will include a report and discussion on the City's possible reuse of some of the facilities at the Middle School. The FISD is planning on scheduling a bond election in November to consider the construction of a new Middle School on Friendship Lane. The FISD is currently in the process of considering possible reuses of the facilities at the current Middle School Campus.

The FISD has established two committees that are currently working on this bond proposal. A Communications Committee is responsible for communicating information to the public on the bond proposal later this year. Lea Feuge is a member of this Committee. A Middle School Reuse Committee has been appointed to explore possible reuses of the existing campus. Councilman Tom Musselman and Garret Bonn are serving on this Committee.

The purpose of this agenda item is to provide the Council an update on recent discussions on the possible reuse of the Middle School Campus (see Garret's report which is attached). We also need your direction on whether the City should continue to explore opportunities for reuse of some of the Middle School facilities. These opportunities include adding the gymnasiums and track as City facilities that would be available to the community for recreation use. We also might want to consider leasing one of the buildings for City offices since current office space at City Hall is getting close to maximum occupancy. If the City Council wants to determine the feasibility of the City entering a long-term lease for reuse of these facilities, then it is recommended that we allocate funding for retaining the services of a structural engineer and architect at a total cost of about $45,000. This amount of funding would need to be added as a mid-year budget amendment.

The third item scheduled for discussion at Wednesday's Work Session is the proposed mid-year budget amendments. This agenda item includes a presentation by Laura Hollenbeak on the mid-year budget amendments that we are proposing for your approval at the next City Council meeting. Attached is a spread sheet showing each of these proposed budget amendments. The list of budget amendments is longer than normal primarily due to (1) COVID-related expenses; (2) revenues and expenses related to the ice storm; and (3) funding to cover the increased TMRS benefits that were approved by the Council in December.

The second part of the discussion on this agenda item involves the possible addition of new expenses to the Budget that the City Council has previously discussed. Based upon the changes to the Budget that Laura has included in her report, the City has funding available to cover these additional costs if the Council wants to proceed with funding these expenses at this time. I have included a report discussing each of these new expense items.

The final agenda item scheduled for discussion is for the City Council to begin discussions on the FY 2022 City Budget. The City normally starts working on our Budget in early-June with a proposed Budget presented to the City Council in July. I have attached a copy of the preliminary schedule for this year's budget process for your review and discussion at the Work Session. Also, the City Council usually provides your budget priorities early in the Budget process. These priorities provide useful direction to City staff as we begin to prepare a proposed budget for your review and consideration. Attached is a listing of the budget priorities set by the City Council as an example of some of the previous Council priorities.

We look forward to the discussion at next Wednesday's Work Session.

The City of Fredericksburg
126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

City of Fredericksburg

City Council Rules of Procedure

June, 2019

Section 1 – Rules

These Rules shall govern the procedures followed by the City of Fredericksburg City Council for the conduct of Council meetings and other Council activities pursuant to state law and the City Charter.

Section 2 – Open Public Meetings Act

The Council shall comply with the provisions of the Open Public Meetings Act in the conduct of all meetings to which said Act is applicable.

Section 3 – Executive Sessions

The Council may discuss topics in executive session, which topics are specified in state law or relate to potential or pending litigation and are subject to attorney-client privilege. The City Attorney shall inform the Council whenever any proposed discussion in executive session is not legally allowed.

No member of the City Council, employee of the City or any other person present during executive session of the City Council shall disclose to any person the content or substance of any discussion which took place during said executive session, except during discussion of this issue in open meeting immediately following the executive session.

Section 4 – Work Sessions

Special meetings designated as work sessions shall be advertised and conducted in the same manner as regular meetings. Work sessions are for the purpose of in-depth review and discussion of specified issues. Council actions shall not be taken at designated work sessions.

Section 5 – Quorum

At all meetings of the Council a majority of the Council members shall constitute a quorum for the transaction of business.

Section 6 – Attendance

Attendance via telephone conference call or video conference call – To participate in a meeting, all members of the Council shall be present, except that a meeting held my telephone conference call or video conference may be held if:

1. an emergency or public necessity exists within the meaning of Section 551.045 of the Government Code, and
2. the convening at one location of a quorum of the government body is difficult or impossible, and
3. the other requirements of Section 551.125 are met

Additionally, a member may attend a meeting via videoconference if a quorum of the government body is physically present at one location of the meeting, the proper communication equipment is available, and the other requirements of Section 551.127 of the Government Code are met.

Section 7 – Chair of the Council

The Mayor shall be the Chair of the Council and shall preside at all Council meetings. A Mayor Pro-Tem shall be selected annually at the first regular meeting of a new Council. In the absence of Mayor, the Mayor Pro-Tem shall preside. If neither the Mayor nor the Mayor Pro-Tem is present at a meeting, the presiding officer for that meeting shall be selected by a majority of the vote of those Council Members present, providing there is a quorum.

The Chair of the Council may vote on all matters coming before the Council and may offer seconds to motions.

The Chair of the Council shall state all questions coming before the Council, provide opportunity for discussion from the Council Member, and announce the decisions of the Council on all subjects. Procedural decisions shall be made by the Chair of the Council, who may request advice on such matters from the City Attorney.

Section 8 – Agenda

The City Manager shall prepare the agenda of business for all Council meetings. Topics may be added to the agenda:

1. When deemed appropriate by the City Manager
2. At the direction of the Mayor
3. As directed by at least two City Council Members

Every agenda action item must be supported by a written staff report informing the Council and staff of the issue, background and/or analysis, and recommendation and/or conclusion, unless the item is self-explanatory or unless the City Manager has waived this requirement. All written materials for the agenda shall be delivered to the City Secretary by twelve o'clock noon of the Thursday preceding the Council meeting. Except for announcements, late items that the City Manager does not receive by the stated deadlines shall not be considered by the Council except upon specific authorization of the City Manager.

Agendas will be made available to the public at least 72 hours prior to regular Council Meetings, work sessions or retreats, in the following ways:

1. A copy is placed on the City website at www.fbgtx.org and posted on social media.
2. Copies are placed on the front counter at City Hall in the Utility Cashier services area
3. A copy is posted on the front door at City Hall

Section 9 – Order of Business

The Mayor may determine the order of business for a particular City Council meeting. The agenda should be arranged to best serve the needs and/or convenience of the Council and the public. When possible, agenda items will be discussed in a certain order that accommodates guest and City staff. The items of business for regular Council meetings may include the following:

1. Call to Order
2. Pledge of Allegiance
3. Ceremonial Matters/Proclamations/Employee Recognition
4. Public Comment: The Mayor will invite citizens to address the Council. All persons wishing to be heard are asked to give their names and addresses and topic. To allow the Council to complete its legislative agenda, comments should be limited to no more than 3 minutes per person. At the discretion of the Mayor, or upon vote of the Council, this time period may be lengthened or shortened. Following any public comment, the Mayor or any member of the City Council may direct staff to research the issue or concern raised by the public and report back to the Council. In addition, this concern can be added to the next Council agenda as specified in Section 8. The Council shall not deliberate or discuss issues raised in Public Comment if it was not listed on the agenda. Written comments may be submitted into the record of a Council meeting by presenting the written document to the City Secretary prior to the meeting, and by making copies

of the same available to those in attendance, and a copy of the document will be provided to each Council Member, but the document will not be read aloud; or a document may be distributed to the City Council, with a copy to the City Secretary, by a speaker, while the speaker is addressing the Council.

5. Consent Agenda
6. Public Hearings
7. Ordinances and Resolutions
8. Other Considerations
9. City Manager's Report
10. Council Comments
11. Executive Session
12. Adjournment

Section 10 – Voting

Each Council Member shall vote on all questions put to the Council unless a conflict of interest or appearance of fairness problem requires a Council Member to excuse him/herself, and the same shall be noted in the minutes.

Section 11 – Reconsideration of Previous Vote

The City Council may at times want to reconsider a vote previously taken at their current meeting. In order to proceed with reconsideration, a motion should be made for reconsideration and such motion should be voted on and passed by a majority of the Council before the agenda item can be discussed or reconsidered.

Section 12 – Decorum

Purposes

The purposes of the Rules of Decorum are as follows:

- To ensure that meetings of the City Council are conducted in a way that allows the business of the City to be effectively conducted.
- To ensure that members of the public who attend meetings of the City Council can be heard in a fair, impartial and respectful manner.
- To ensure that meetings of the City Council are conducted in a way that is open to all viewpoints.
- To ensure that the rules governing decorum at meetings of the City Council are understood by persons attending the meetings.

Rules for Speakers

- Members of the public may address the City Council at the following times during a meeting:
  - During the Citizen Comment Period.
  - During a public hearing on an agenda item.
  - At other times with the permission of the Mayor.
- Speakers should make their comments at the podium and state their name and address.
- Speakers should limit their comments to 3 minutes.
- Inquiries from speakers about matters not listed on the agenda should either be directed to the staff or placed on a future agenda for Council consideration.

Rules for Members of the Public

Members of the public shall not engage in any of the following in the meeting room during a City Council meeting:

- Shouting, unruly behavior, distracting side conversations or speaking out when another person is talking.
- Personal attacks or profanity.
- Audible use of phones, pagers, radios, computers or other electronic equipment.
- Booing, applauding or other similar behavior that impedes or disrupts the orderly conduct of the meeting.

Rules for Council Members

When a measure is presented for consideration to the Council, the Mayor shall recognize the appropriate individual to present the matter. When two or more members wish to speak, the Mayor shall name the member who is to speak first. No member of the Council shall interrupt another while speaking except to make a point of order or privilege.

No Council Member shall be permitted to indulge in personalities or use language personally offensive.

Section 13 – Questions of Parliamentary Procedure

Questions of parliamentary procedure not covered by these Rules shall be governed by the 11th Edition of Robert's Rules of Order, Newly Revised (2011 Edition)

Section 14 – Notice of Public Hearings

Notice of all public hearings to be conducted by the City Council or any of its advisory boards and commissions shall be given by publishing written notice, as required by law, ordinance or other statute, or if there is not particular requirement, then at least once in the City's official newspaper prior to the date of the hearing.

Section 15 – Adoption of Ordinances

All City ordinances will require two readings of the City Council prior to adoption. However, in certain cases, the Council may elect to waive the second reading and pass the ordinance following the first reading.

Passed and approved by the City of Fredericksburg City Council July 1, 2013

Amended by the City of Fredericksburg City Council February 3, 2014

Amended by the City of Fredericksburg City Council June 4, 2018

Amended by the City of Fredericksburg City Council June 3, 2019

Amended by the City of Fredericksburg City Council June 17, 2019

To: Mayor & City Council
From: Garret Bonn, P.E., CFM - Asst. City Engineer
Cc: Kent Myers - City Manager
Att: Aerial Map

RE: FISD Middle School Campus Reuse Plan

Date: 05/12/2021

Last year, FISD commissioned Huckabee (Architecture Firm) to assess the condition of the Middle School campus and provide a better understanding of the current conditions and issues along with recommendations relating to future decisions. As expected, this assessment identified numerous issues which led to the development of three possible options for moving forward:

1. New site, new school
2. Existing site, new school
3. Existing site, renovate existing buildings

To better analyze these options and provide recommendations to the FISD Board of Trustees, a Bond Steering Committee was formed. The 26-member group represented a diverse cross-section of the community including parents, business owners, community leaders, senior citizens, citizens new to Fredericksburg and citizens who have lived here their entire lives. Over the course of several months, the committee met numerous times to evaluate the needs of the district and determine the best course of action for the Middle School.

Ultimately, the Bond Steering Committee recommended that the Board of Trustees call for a bond election that included the building of a new Middle School on a new site along with a list of other district facility and maintenance needs provided by FISD. This recommendation was based on the proposal being accomplished with no tax rate increase and FISD coming up with a plan for the current Middle School campus.

Based on these recommendations, the Board is currently working towards a November 2021 bond proposition and has formed two new committees. One is tasked with communications and ensuring accurate information is presented to the voters regarding the bond. A second committee has been tasked with working with community leaders and stakeholders to ensure the community would have a say in what happens at the current Middle School campus if/when the students are moved. This committee is comprised of:

- Marc Williamson
- Brad Hardin
- Dixie Cope
- Lorena Seidenberger
- Richard Laughlin
- Terry Hamilton
- Tom Musselman
- Garret Bonn

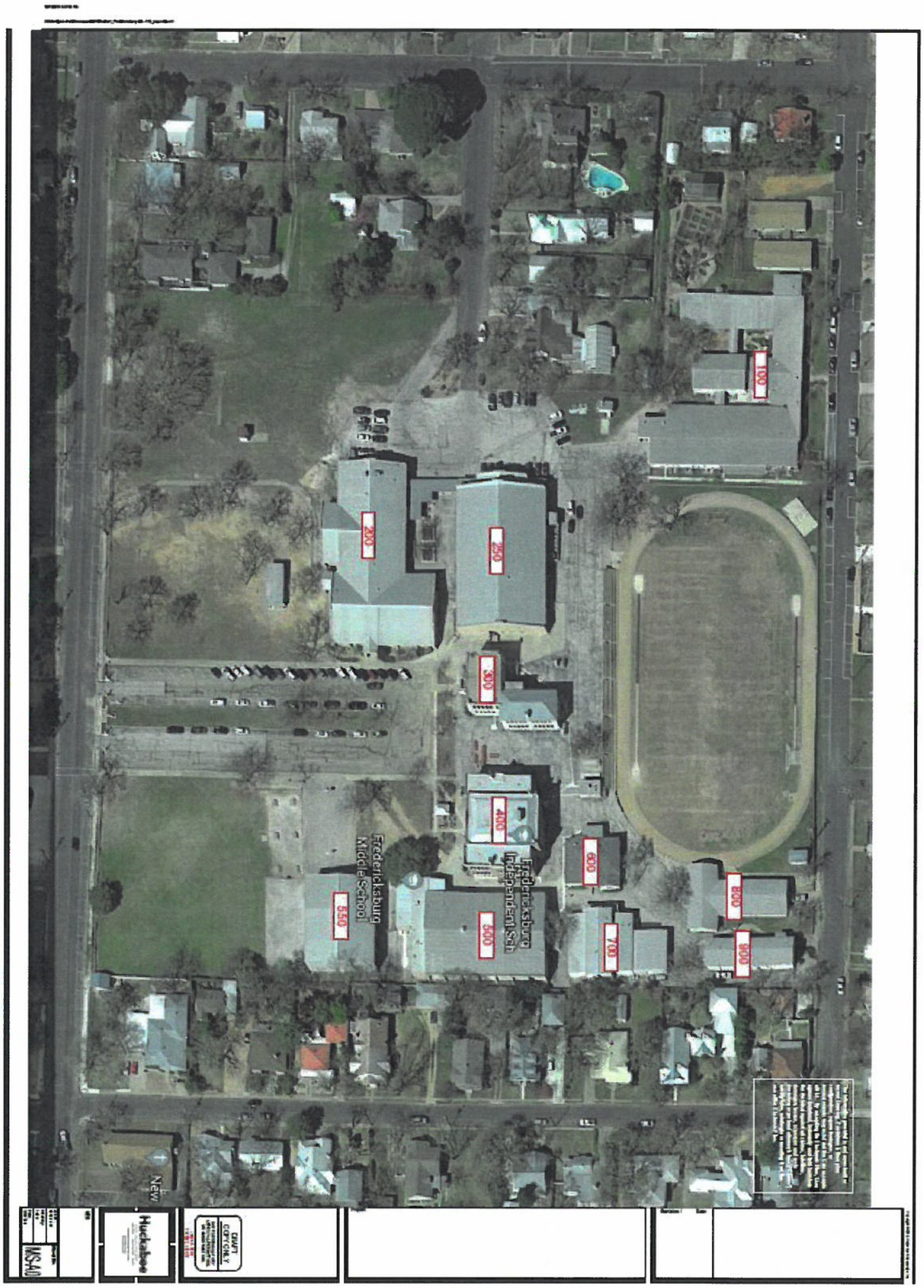
Based on the committee's discussions to date, the main priority is ensuring any future uses of the Middle School campus are community-driven. At the current time, FISD has indicated they have no intention of selling the property and have ideas to utilize the 100 building (NW section of the campus near College St) and 200 building (administration/library/cafeteria) for Gillespie County High School, Technology Department, and relocating any other uses out of "portables". With this being the case, the primary focus for other future uses of the campus have focused on the historic 300 (former college – white) and 400 (red brick) buildings along with the 250 building (band hall) and gyms (500 and 550). Please refer to the attached aerial map for more information.

The committee is currently working on the following list of possible uses:

- Non-profit organizations (i.e. Boys and Girls Club, Gillespie Co. Historical Society, Golden Hub, Art Guild, Boy/Girl Scouts, Marktplatz Redevelopment Commission, etc.)
- Governmental entities – City and County
- Parkland/Sports Organizations
- Emergency Shelter
- Daycare
- Housing

It is worthwhile to note that at this time, FISD has indicated they have little desire to make renovations to any facilities or areas not utilized by the district so usage by other groups may include fees/costs that would take care of upkeep of the campus.

With the City having completed a staffing and space study in 2014, City staff has been in contact with FISD and informed them that there may be an interest in researching possible City-related uses of the campus, however, we would not expect to have a final decision prior to the calling of a November bond proposition. If the City Council has any desire to enter into a long-term lease for reuse of these facilities, given their age and condition, it is recommended to retain the services of a structural engineer and architect at an estimated cost of $45,000.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Fredericksburg Independent Sch
Fredericksburg Middle School
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Huckabee
DRAFT COPY ONLY

FY 2021 Proposed Budget Amendments - May 19, 2021 City Council Workshop Meeting

G/L Account	Description	2021 Budget	2021 Proposed	Amendment	Notes
General Fund Revenues					
01-00-4101-00	Current Ad Valorem Taxes	3,843,900.00	3,896,661.58	52,761.58	Current Ad Valorem Taxes collected
01-00-4102-00	Delinquent Ad Valorem Taxes	307,500.00	254,738.42	(52,761.58)	Reduce Delinquent for Increase in Current taxes collected
01-00-4103-00	Penalty & Interest	33,800.00	28,021.23	(5,778.77)	Reduce due to increase in current vs delinquent taxes collected
01-00-4106-00	Franchise Fees - Atmos	128,000.00	152,417.00	24,417.00	Increase in Atmos franchise fees
01-00-4107-00	In Lieu of Taxes	2,067,181.00	2,172,717.27	105,536.27	
01-00-4108-00	1 1/2% City Sales Tax	5,500,000.00	6,688,370.00	1,188,370.00	Increase in City Sales Tax collections projection
01-00-4110-00	Mixed Drinks Tax	160,000.00	246,812.00	86,812.00	Increase in Mixed Drink Taxes & paying monthly instead of quarterly beginning in February - 2 additional months payments will be made in FY 2021
01-00-4113-00	Franchise Tax - CTEC	88,000.00	97,900.00	9,900.00	Increase in Atmos Franchise Tax collections
01-00-4163-00	Zoning Fees	18,000.00	26,000.00	8,000.00	
01-00-4221-00	Insurance Proceeds - Weather Emergency 2021	-	100,000.00	100,000.00	Proceeds for damages at Pools, Annex, Water Fountains, Pavilions
New	FEMA Proceeds - Weather - Police	-	5,000.00	5,000.00	
01-00-4301-00	Firehouse Recovery Revenues	15,000.00	10,000.00	(5,000.00)	
New	FEMA Proceeds - Weather - Fire	-	15,000.00	15,000.00	
New	FEMA Proceeds - Weather - Street	-	15,000.00	15,000.00	
01-00-4481-00	Proceeds - Sale/Fixed Assets	8,000.00	40,711.00	32,711.00	Sept 2020 sale received funds in Oct 2020
01-00-4502-00	Camping	475,000.00	675,000.00	200,000.00	Increase in RV Park Reservations
01-00-4530-00	Park Dedication Fee - South	20,000.00	-	(20,000.00)	Do not expect to collect Park Dedication Fees - South during remainder of FY 2021
01-00-4532-00	Playground Grant	55,000.00	-	(55,000.00)	Game Time applied the grant funds to the invoice - $60,083.92 - Total paid with credit $218,117.89
01-00-4533-00	Mkt Sq Pledges - NW Corner Improvements	-	77,232.71	77,232.71	Playground
01-00-4566-00	Reserve America Fee Revenue	25,000.00	40,000.00	15,000.00	Increase in Reservations
01-00-4581-00	Proceeds - Sale of Fixed Assets	4,000.00	12,925.00	8,925.00	Sold 2011 GMC Sierra 1500
NEW	FEMA Proceeds - Weather - Parks	-	4,000.00	4,000.00	
01-00-4800-00	Health Fees	93,600.00	100,000.00	6,400.00	
01-00-4821-00	Insurance Proceeds - Weather Emergency 2021	-	7,507.30	7,507.30	Possibility this will increase - this is the amount received from TML 4/5/2021 - Health - Annex 1
	General Fund Revenues	**12,841,981.00**	**14,666,013.51**	**1,824,032.51**	
Administration Dept Expenditures					
01-20-2030-00	Retirement - TMRS	78,739.00	95,989.00	17,250.00	City Council approved TMRS increase from 6% to 7% December 2020
01-20-3239-00	Incentive Mgt Fee - Touchstone	83,380.00	120,000.00	36,620.00	$5K/mo. Mgt Fee & Annual Incentive Fee-GC doing better than projected - Estimate $60K incentive
01-20-3240-00	City Contribution - Golf Course	150,000.00	-	(150,000.00)	City will not need to Contribute this year - Golf Course doing better than projected
01-20-4019-00	Covid 19 Expense	-	40,500.00	40,500.00	Includes estimated cost of $5,500 to hold meetings at RockBox through May (includes setup & support for lights & sound, and light/sound tech for broadcast/recordings)
	Administration Dept Expenditures	**312,119.00**	**256,489.00**	**(55,630.00)**	
Police Dept Expenditures					
01-22-2030-00	Retirement - TMRS	476,383.80	580,751.00	104,367.20	City Council approved TMRS increase from 6% to 7% December 2020
01-22-4019-00	Covid 19 Expense	-	3,000.00	3,000.00	
01-22-4221-00	Weather Emergency 2021	-	5,000.00	5,000.00	
	Police Dept Expenditures	**476,383.80**	**588,751.00**	**112,367.20**	
Fire Dept Expenditures					
01-23-1070-00	Overtime Wages	188,107.00	195,107.00	7,000.00	
01-23-2030-00	Retirement - TMRS	97,279.27	118,591.00	21,311.73	City Council approved TMRS increase from 6% to 7% December 2020
01-23-3220-00	Insurance & Bonds	18,360.00	16,360.00	(2,000.00)	
01-23-4019-00	Covid 19 Expense	-	3,000.00	3,000.00	
01-23-4221-00	Weather Emergency 2021	-	3,000.00	3,000.00	
	Fire Dept Expenditures	**303,746.27**	**336,058.00**	**32,311.73**	
Street Dept Expenditures					
01-24-1050-00	Regular Wages - Part Time	-	5,400.00	5,400.00	Eligible for FEMA claim - weather
01-24-1060-00	Longevity	14,430.00	8,830.00	(5,600.00)	Budgeted longevity for employees that left prior to December

01-24-2030-00	Retirement - TMRS	124,387.00	150,896.00	26,509.00	City Council approved TMRS increase from 6% to 7% December 2020
01-24-3140-00	Contract Professional Srv	1,000.00	3,400.00	2,400.00	Assessment for Oaks of Windcrest
01-24-3220-00	Insurance & Bonds	37,780.00	43,180.00	5,400.00	
01-24-4019-00	Covid 19 Expense	-	500.00	500.00	
01-24-4030-00	General Property Maintenance	26,000.00	11,000.00	(15,000.00)	Roof repairs delayed
01-24-4221-00	Weather Emergency 2021	-	12,600.00	12,600.00	Code mix asphalt repairs
01-24-4250-00	Street & Bridge Maintenance	20,000.00	15,000.00	(5,000.00)	
	Street Dept Expenditures	**223,597.00**	**250,806.00**	**27,209.00**	
Park Dept Expenditures					
01-25-2030-00	Retirement - TMRS	124,018.00	151,265.00	27,247.00	City Council approved TMRS increase from 6% to 7% December 2020
01-25-3010-00	Utilities	240,000.00	255,000.00	15,000.00	Increased revenues/expense
01-25-3214-00	Reserve America Fees-exp	25,000.00	42,000.00	17,000.00	Increased revenues/expense
01-25-4019-00	Covid 19 Expense	-	2,000.00	2,000.00	
01-25-4040-00	Small Tools & Equipment	26,000.00	22,000.00	(4,000.00)	
01-25-4100-00	Mkt Sq Expenses	35,000.00	30,000.00	(5,000.00)	
01-25-4180-00	July 4th Fireworks	25,000.00	23,200.00	(1,800.00)	
01-25-4221-00	Weather Emergency 2021	-	100,000.00	100,000.00	Damages at Pools, Annex, Water Fountains, Pavilions
01-25-4260-00	Sports Facilities Maintenance	25,000.00	24,000.00	(1,000.00)	
01-25-4545-00	Programming	7,500.00	2,800.00	(4,700.00)	
01-25-4546-00	Special Events	5,150.00	-	(5,150.00)	Touch-a-Truck cancelled
01-25-5549-00	Playground-MarktPlatz	87,000.00	218,118.00	131,118.00	
	Park Dept Expenditures	**599,668.00**	**870,383.00**	**270,715.00**	
Development Services					
01-27-1040-00	Regular Wages	493,445.00	455,000.00	(38,445.00)	Staff changes
01-27-1070-00	Overtime Wages	-	5,000.00	5,000.00	
01-27-2020-00	Social Security	37,924.57	33,948.50	(3,976.07)	
01-27-2030-00	Retirement - TMRS	84,177.57	95,223.00	11,045.43	City Council approved TMRS increase from 6% to 7% December 2020 - adjusted for staff changes
01-27-2060-00	Insurance - Hospitalization	60,947.00	58,072.00	(2,875.00)	
01-27-3130-00	Legal Expenses	40,000.00	50,000.00	10,000.00	
01-27-3135-00	Nuisance Abatement	4,000.00	6,000.00	2,000.00	Additional funds for community cleanup project
01-27-3140-00	Contract Professional Services	47,000.00	55,312.00	8,312.00	Unspent funds from FY 2020 - HHM Design Guidelines
01-27-4019-00	Covid 19 Expense	-	1,000.00	1,000.00	
	Development Services	**767,494.14**	**759,555.50**	**(7,938.64)**	
Health Dept Expenditures					
01-28-2030-00	Retirement - TMRS	24,708.00	30,121.00	5,413.00	City Council approved TMRS increase from 6% to 7% December 2020
01-28-4019-00	Covid 19 Expense	50.00	1,000.00	950.00	
01-28-4221-00	Weather Emergency 2021	-	7,507.30	7,507.30	
	Health Dept Expenditures	**24,758.00**	**38,628.30**	**13,870.30**	
Municipal Court Expenditures					
01-29-1050-00	Part-Time Wages	6,000.00	12,500.00	6,500.00	Retired employee filled in when employee was out of office, position was open & trained new emp
01-29-2030-00	Retirement - TMRS	16,841.00	20,530.00	3,689.00	City Council approved TMRS increase from 6% to 7% December 2020
	Municipal Court Expenditures	**22,841.00**	**33,030.00**	**10,189.00**	
Engineering Dept Expenditures					
01-30-2030-00	Retirement - TMRS	21,566.00	26,291.00	4,725.00	City Council approved TMRS increase from 6% to 7% December 2020
	Engineering Dept Expenditures	**21,566.00**	**26,291.00**	**4,725.00**	
	General Fund Revenue Total	**12,841,981.00**	**14,666,013.51**	**1,824,032.51**	
	General Fund Expenditure Total	**2,752,173.21**	**3,159,991.80**	**407,818.59**	
	General Fund Net Amount	**10,089,807.79**	**11,506,021.71**	**1,416,213.92**	
Electric Fund Revenues					
02-00-4101-00	Residential Sales	4,624,790.00	4,927,000.00	302,210.00	EST May-Sept +4% over PY
02-00-4102-00	Commercial Sales	6,150,000.00	6,554,000.00	404,000.00	EST May-Sept +10% over PY (business closures last year-covid)

02-00-4165-00	Misc Electric Revenue	175,000.00	285,000.00	110,000.00	Electric jobs invoiced to customers more than estimated
New	FEMA Proceeds - Weather - Electric	-	20,000.00	20,000.00	
	Electric Fund Revenues	**10,949,790.00**	**11,786,000.00**	**836,210.00**	
Electric Fund Expenditures					
02-21-1070-00	Overtime & Standby Wages	60,000.00	90,000.00	30,000.00	
02-21-2030-00	Retirement - TMRS	185,257.00	225,843.00	40,586.00	City Council approved TMRS increase from 6% to 7% December 2020
02-21-3010-00	Utilities	14,500.00	24,500.00	10,000.00	
02-21-3250-00	In Lieu of Taxes	1,012,654.00	1,049,032.00	36,378.00	Increase in revenues increases In Lieu of Taxes expense
02-21-4240-00	Power Purchases	6,000,000.00	6,700,000.00	700,000.00	Increase in Power Purchases due to recent extreme winter weather
02-21-4241-00	Transmission Provider Fees	1,624,000.00	1,640,000.00	16,000.00	Fee increase from Transmission providers
02-21-5275-00	Electric Dept. Building	300,000.00	394,398.00	94,398.00	
02-21-5287-00	Main St Decorative Lighting	330,000.00	490,000.00	160,000.00	Unspent funds of $112,500 from FY 2020 and an additional $47,500 - Total project $490,000
02-21-5288-00	Forklift	45,000.00	32,500.00	(12,500.00)	Revise budget to actual cost
02-21-5381-00	Sandcastle URG Rehab	35,000.00	-	(35,000.00)	
02-21-5382-00	Replace Substation Breakers	20,000.00	40,000.00	20,000.00	
02-21-6205-00	Principal - Electric Meter Replacement	204,000.00	227,376.42	23,376.42	Original Principal payment amount budgeted based on an estimated project cost
	Electric Fund Expenditures	**9,830,411.00**	**10,913,649.42**	**1,083,238.42**	
	Electric Fund Revenue Total	**10,949,790.00**	**11,786,000.00**	**836,210.00**	
	Electric Fund Expenditure Total	**9,830,411.00**	**10,913,649.42**	**1,083,238.42**	
	Electric Fund Net Amount	**1,119,379.00**	**872,350.58**	**(247,028.42)**	
Water Fund Revenues					
03-00-4105-00	Water Sales - Residential	2,851,230.00	3,227,000.00	375,770.00	Estimated off last 6 month's of PY
03-00-4106-00	Water Sales - Multi Family	133,000.00	143,000.00	10,000.00	Estimated off last 6 month's of PY
03-00-4107-00	Water Sales - Commercial	1,290,000.00	1,375,000.00	85,000.00	Estimated off last 6 month's of PY
03-00-4205-00	Sewer Sales - Residential	1,954,350.00	2,052,000.00	97,650.00	Estimated off last 6 month's of PY
03-00-4206-00	Sewer Sales - Multi Family	150,000.00	157,000.00	7,000.00	Estimated off last 6 month's of PY
03-00-4207-00	Sewer Sales - Commercial	1,228,000.00	1,281,000.00	53,000.00	Estimated off last 6 month's of PY
New	FEMA Proceeds - Weather - Water	-	50,000.00	50,000.00	
	Water Fund Revenues	**7,606,580.00**	**8,285,000.00**	**678,420.00**	
Water Fund Expenditures					
03-21-1030-00	Regular Wages - Full Time Employee	1,311,114.00	1,324,099.00	12,985.00	Early Retirement Incentive - Sammy Bosquez
03-21-1070-00	Overtime & Standby Wages	110,000.00	160,000.00	50,000.00	Increase due to Weather Emergency (to claim Emergency OT in FEMA claim)
03-21-2020-00	Social Security	109,903.00	110,896.00	993.00	Early Retirement Incentive - Sammy Bosquez
03-21-2030-00	Retirement - TMRS	243,602.00	299,842.00	56,240.00	City Council approved TMRS increase from 6% to 7% December 2020 & added ERI for Sammy Bosquez
03-21-3220-00	Insurance & Bonds	40,700.00	45,700.00	5,000.00	
03-21-3250-00	In Lieu of Taxes	755,059.00	816,116.00	61,057.00	Increase in revenues increases In Lieu of Taxes expense
03-21-4019-00	Covid 19 Expense	-	10,000.00	10,000.00	
03-21-4221-00	Weather Emergency 2021	-	40,000.00	40,000.00	
03-21-5415-00	Bell St Water Line Rehab Project	225,000.00	165,000.00	(60,000.00)	
03-21-5421-00	Boot Ranch Lift Station	1,800,000.00	300,000.00	(1,500,000.00)	reduce FY 2021 Budget to $300,000 - will add $1,500,000 to FY 2022 Budget
03-21-5433-00	Green Meadows Lift Station Rehab	150,000.00	275,000.00	125,000.00	
03-21-5442-00	Forklift - 2021	45,000.00	38,000.00	(7,000.00)	
03-21-5443-00	Valve Insertion Machine - 2021	79,000.00	73,500.00	(5,500.00)	
	Water Fund Expenditures	**4,869,378.00**	**3,658,153.00**	**(1,211,225.00)**	
	Water Fund Revenue Total	**7,606,580.00**	**8,285,000.00**	**678,420.00**	
	Water Fund Expenditure Total	**4,869,378.00**	**3,658,153.00**	**(1,211,225.00)**	
	Water Fund Net Amount	**2,737,202.00**	**4,626,847.00**	**1,889,645.00**	
Golf Fund Revenues					
04-00-04221-00	Insurance Proceeds - Weather Emergency 2021	-	115,158.50	115,158.50	Insurance Proceeds from TML - Weather Emergency 2021
	Golf Fund Revenues	**-**	**115,158.50**	**115,158.50**	
Golf Fund Expenditures					

04-41-2030-00	Retirement - TMRS	1,489.00	1,816.00	327.00	City Council approved TMRS increase from 6% to 7% December 2020
04-42-2030-00	Retirement - TMRS	1,124.00	1,370.00	246.00	City Council approved TMRS increase from 6% to 7% December 2020
04-42-4221-00	Weather Emergency 2021	-	115,158.50	115,158.50	$88,336.92 - Kendnel Kasper invoice for repairs at Golf Building & $26,821.60 Reimburse LBJ Golf for Building Contents replaced
	Golf Fund Expenditures	**2,613.00**	**118,344.50**	**115,731.50**	
	Golf Fund Revenue Total	**-**	**115,158.50**	**115,158.50**	
	Golf Fund Expenditure Total	**2,613.00**	**118,344.50**	**115,731.50**	
	Golf Fund Net Amount	**(2,613.00)**	**(3,186.00)**	**(573.00)**	
Solid Waste Fund Revenues					
05-00-4181-00	Proceeds Sale of Fixed Assets	56,000.00	91,000.00	35,000.00	
New	FEMA Proceeds - Weather - Solid Waste	-	5,000.00	5,000.00	
	Solid Waste Fund Revenues	**56,000.00**	**96,000.00**	**40,000.00**	
Solid Waste Fund Expenditures					
05-21-2030-00	Retirement - TMRS	166,897.00	203,459.00	36,562.00	City Council approved TMRS increase from 6% to 7% December 2020
05-21-3140-00	Contract Professional Services	1,000.00	28,000.00	27,000.00	
05-21-3250-00	In Lieu of Taxes	247,817.00	251,416.00	3,599.00	Increase in revenues increases In Lieu of Taxes expense
05-21-4030-00	General Property Maintenance	16,500.00	6,500.00	(10,000.00)	
05-21-4031-00	Dumpster Maintenance	27,000.00	38,000.00	11,000.00	
05-21-4070-00	Computer/Software Maintenance	19,610.00	25,325.00	5,715.00	Interact Software upgrade to record truck scale transactions at the landfill
05-21-4265-00	Recycling Expenses	15,000.00	9,000.00	(6,000.00)	
05-21-4266-00	Grinding of Debris	50,000.00	57,000.00	7,000.00	
05-21-4440-00	Tractor-heavy equip maint	45,000.00	25,000.00	(20,000.00)	
	Solid Waste Fund Expenditures	**588,824.00**	**643,700.00**	**54,876.00**	
	Solid Waste Fund Revenue Total	**56,000.00**	**96,000.00**	**40,000.00**	
	Solid Fund Expenditure Total	**588,824.00**	**643,700.00**	**54,876.00**	
	Solid Waste Fund Net Amount	**(532,824.00)**	**(547,700.00)**	**(14,876.00)**	
EMS Fund Revenues					
06-00-4101-00	EMS Revenues	2,000,000.00	2,200,000.00	200,000.00	
06-00-4181-00	Proceeds - Sale/Fixed Assets	8,000.00	34,400.00	26,400.00	
New	FEMA Proceeds - Weather - EMS	-	32,000.00	32,000.00	
06-00-4304-00	Other Disallowed	(240,000.00)	(290,000.00)	(50,000.00)	
	EMS Fund Revenues	**1,768,000.00**	**1,976,400.00**	**208,400.00**	
EMS Fund Expenditures					
06-21-1070-00	Overtime Wages	388,086.00	438,086.00	50,000.00	
06-21-2030-00	TMRS	206,029.00	251,089.00	45,060.00	City Council approved TMRS increase from 6% to 7% December 2020
06-21-3200-00	Uncollectible Accounts	350,000.00	395,000.00	45,000.00	
06-21-3220-00	Insurance & Bonds	23,700.00	20,200.00	(3,500.00)	
06-21-4019-00	Covid 19 Expense	-	5,000.00	5,000.00	
06-21-4221-00	Weather Emergency 2021	-	2,000.00	2,000.00	
06-21-4430-00	Vehicle Maintenance	20,000.00	25,000.00	5,000.00	
	EMS Fund Expenditures	**987,815.00**	**1,136,375.00**	**148,560.00**	
	EMS Fund Revenue Total	**1,768,000.00**	**1,976,400.00**	**208,400.00**	
	EMS Fund Expenditure Total	**987,815.00**	**1,136,375.00**	**148,560.00**	
	EMS Waste Fund Net Amount	**780,185.00**	**840,025.00**	**59,840.00**	
Tourism Fund Revenues					
07-00-4135-00	Sponsorship Revenues	3,650.00	-	(3,650.00)	
07-00-4541-00	FMS Souvenir Sales	-	2,000.00	2,000.00	Set up new GL# in F07 and transfer current GL balance in Park Revenue to Tourism
	Tourism Fund Revenues	**3,650.00**	**2,000.00**	**(1,650.00)**	
Tourism Expenditures					
07-21-1050-00	Regular Wages - Part-Time Employee	25,000.00	12,000.00	(13,000.00)	
07-21-2030-00	Retirement - TMRS	14,275.00	17,402.00	3,127.00	City Council approved TMRS increase from 6% to 7% December 2020

07-21-3260-00	Hotel Tax Distributions	480,000.00	513,457.00	33,457.00	City Council Approved at 4/19/2021 CC Meeting
07-21-4110-00	Fort Martin Scott Maintenance	-	30,000.00	30,000.00	Originally budgeted in Parks Department - should have been moved to Tourism Fund
07-21-4111-00	Fort Martin Scott Souvenirs	-	4,000.00	4,000.00	Originally budgeted in Parks Department - should have been moved to Tourism Fund
07-21-4173-00	Special Events	34,700.00	5,700.00	(29,000.00)	
07-21-4176-00	Wayfinding Sign Maintenance	-	7,650.00	7,650.00	Unspent funds of $7,650 from FY 2020
07-21-4177-00	Fort Martin Scott Event	6,000.00	3,000.00	(3,000.00)	
07-21-5701-00	MarktPlatz Improvements	200,000.00	30,000.00	(170,000.00)	
	Tourism Expenditures	**759,975.00**	**623,209.00**	**(136,766.00)**	
	Tourism Fund Revenue Total	**3,650.00**	**2,000.00**	**(1,650.00)**	
	Tourism Fund Expenditure Total	**759,975.00**	**623,209.00**	**(136,766.00)**	
	Tourism Fund Net Amount	**(756,325.00)**	**(621,209.00)**	**135,116.00**	
Drainage Fund Revenues					
New	FEMA Proceeds - Weather (Drainage)	-	4,000.00	4,000.00	
	Drainage Fund Revenues	**-**	**4,000.00**	**4,000.00**	
Drainage Fund Expenditures					
10-21-2030-00	Retirement - TMRS	22,664.00	27,628.00	4,964.00	City Council approved TMRS increase from 6% to 7% December 2020
10-21-3010-00	Utilities	-	2,000.00	2,000.00	
10-21-3250-00	In Lieu of Taxes	55,791.00	56,151.00	360.00	Increase in revenues increases In Lieu of Taxes expense
	Drainage Fund Expenditures	**78,455.00**	**85,779.00**	**7,324.00**	
	Drainage Fund Revenue Total	**-**	**4,000.00**	**4,000.00**	
	Drainage Expenditure Total	**78,455.00**	**85,779.00**	**7,324.00**	
	Drainage Fund Net Amount	**(78,455.00)**	**(81,779.00)**	**(3,324.00)**	
Market Square Fund - FFWF					
11-25-1022-00	Market Square Pledge Improvements	20,000.00	-	(20,000.00)	This is paid after the event. FY 2021 FFWF was cancelled - Will re-budget next fiscal year
	Market Square Fund - FFWF	**20,000.00**	**-**	**(20,000.00)**	
Emergency Management Fund Expenditures					
14-21-1030-00	Regular Wages - Full Time	109,182.00	126,539.00	17,357.00	
14-21-2020-00	Social Security	8,401.00	9,600.00	1,199.00	
14-21-2030-00	TMRS	18,646.00	26,559.00	7,913.00	City Council approved TMRS increase from 6% to 7% December 2020
14-21-2060-00	Insurance - Health Insurance	10,814.00	12,234.00	1,420.00	
14-21-3070-00	Travel expenses	6,500.00	2,500.00	(4,000.00)	
14-21-4019-00	Covid 19 Expense	-	500.00	500.00	
14-21-4221-00	Weather Emergency 2021	-	1,000.00	1,000.00	
	Emergency Management Fund Expenditures	**153,543.00**	**178,932.00**	**25,389.00**	
Animal Shelter Fund Expenditures					
42-22-2030-00	Retirement - TMRS	6,672.00	8,134.00	1,462.00	City Council approved TMRS increase from 6% to 7% December 2020
	Animal Shelter Fund Expenditures	**6,672.00**	**8,134.00**	**1,462.00**	
	Total Revenues	**40,832,581.00**	**45,215,572.01**	**4,382,991.01**	
	Total Expenditures	**20,049,859.21**	**20,526,267.72**	**476,408.51**	
	Total Net Amount	**20,782,721.79**	**24,689,304.29**	**3,906,582.50**	

Date: May 12, 2021

To: Mayor and City Council

From: Kent Myers, City Manager

Subject: Mid-Year Budget Issues

At the City Council Work Session on Wednesday Laura will present the proposed mid-year budget amendments for this year. If these amendments are approved, additional funding will be available for funding several projects that have previously been discussed by the City Council. Following discussion, the Council should determine if you want to include these as mid-year budget amendments or if you prefer waiting to discuss these items during the FY 2022 Budget process later this year. This includes the following items:

1. New Comprehensive Plan ($200,000)-As previously discussed with the City Council, our current Comprehensive Plan was adopted in 2006. During the past 15 years, our community has experienced many changes related to growth and development. We are now facing an increase in our growth rate due to many people wanting to move to the Hill Country from urban areas. If the City Council approves the funding for hiring a consultant to prepare a new Comprehensive Plan, we could begin the RFP process in the next 30 days.

2. Engineering for Traffic Improvements ($145,000)-Last year Kimley Horn Engineering completed a detailed traffic impact study. One of the phases of this study recommended improvements to about 20 different intersections which would provide some immediate traffic relief. We have recently proposed a partnership arrangement with TXDOT whereby the City would provide the engineering design for these improvements ($145,000) and TXDOT would provide the construction of the improvements ($660,000). TXDOT has not committed to their funding at this time. However, they have indicated that, if the City proceeded with the engineering design and created "shovel-ready" projects, this would improve our chances in getting these projects approved for funding by TXDOT.

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3. Employee Salary Study ($18,000)-Last year the City Council discussed the need to conduct a salary study to determine how our salaries compare to salaries paid by other cities that are similar in size to the City of Fredericksburg. The recent challenges that we have faced in recruiting for positions such as Police Officers, Paramedics, Water Maintenance Workers and Lifeguards illustrate the need to review our salaries. If the City Council agrees to proceed with this study, it is recommended that we also include a comparison of the cost-of-living rates in these other cities. It should also be noted that, if we could proceed with this study now, this information would be available for the Council's review in developing the FY 2022 City Budget.

4. Architectural Services and Structural Analysis for Middle School Facilities ($45,000)-As presented and discussed during the previous work session agenda item, the City has an opportunity to consider the reuse of some of the facilities at the current Middle School Campus. In order to determine if these facilities are feasible, we need to retain the services of an architect. This architect would review the layouts of several different Middle School buildings and determine if they meet some of our office space needs. In addition, we would need to retain a structural engineer to assess whether the buildings have any structural issues that would be costly to address.

5. New Meter Tech Position ($8,100 Electric Fund and $8,100 Water Fund)-This position was originally proposed during the discussion of the FY 2021 Budget. Due to the financial uncertainties related to COVID, the Council decided not to include the funding in the approved Budget. However, the Council indicated that you were willing to reconsider funding for this position at mid-year. If approved, this position would work closely with our Customer Services employees to reread and repair meters, connect and disconnect services and other routine tasks. Having this full-time employee would avoid the need to pull electric and water department employees from other projects to perform these tasks.

Federal Fiscal Recovery Funds

During the mid-year budget discussion I also wanted to update the Council on the new Local Fiscal Recovery Funds. The City of Fredericksburg is a non-entitlement recipient of these funds. This means that the funding is allocated to the State and they pass thru the funds to these cities. We expect to get our initial payment of $1.25 million in the next several weeks and our second and final payment of $1.25 million in May 2022. The federal government has just issued the guidelines for use of these funds (see attached). It is my recommendation that we take some time to review these guidelines, get public input on use of the funds and then allocate this funding as part of the FY 2022 Budget.

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FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver $350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs

May 10, 2021

Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide $350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver $350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

FUNDING AMOUNTS

The American Rescue Plan provides a total of $350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

Type	Amount ($ billions)
States & District of Columbia	$195.3
Counties	$65.1
Metropolitan Cites	$45.6
Tribal Governments	$20.0
Territories	$4.5
Non-Entitlement Units of Local Government	$19.5

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

USES OF FUNDING

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures,** by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency,** including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Within these overall categories, Treasury's Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

1. **Supporting the public health response**

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- **Services and programs to contain and mitigate the spread of COVID-19, including:**
  - ✓ Vaccination programs
  - ✓ Medical expenses
  - ✓ Testing
  - ✓ Contact tracing
  - ✓ Isolation or quarantine
  - ✓ PPE purchases
  - ✓ Support for vulnerable populations to access medical or public health services
  - ✓ Public health surveillance (e.g., monitoring for variants)
  - ✓ Enforcement of public health orders
  - ✓ Public communication efforts
  - ✓ Enhancement of healthcare capacity, including alternative care facilities
  - ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
  - ✓ Enhancement of public health data systems
  - ✓ Capital investments in public facilities to meet pandemic operational needs
  - ✓ Ventilation improvements in key settings like healthcare facilities

- **Services to address behavioral healthcare needs exacerbated by the pandemic, including:**
  - ✓ Mental health treatment
  - ✓ Substance misuse treatment
  - ✓ Other behavioral health services
  - ✓ Hotlines or warmlines
  - ✓ Crisis intervention
  - ✓ Services or outreach to promote access to health and social services

- **Payroll and covered benefits expenses** for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response. For public health and safety workers, recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response.

2. **Addressing the negative economic impacts caused by the public health emergency**

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its pre-pandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor's benefits for family members of COVID-19 victims.

- **Supporting small businesses,** helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.

- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.

- **Rebuilding public sector capacity,** by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

3. **Serving the hardest-hit communities and families**

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- **Addressing health disparities and the social determinants of health,** through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **Investments in housing and neighborhoods**, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity;
- **Addressing educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments,** including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

4. **Replacing lost public sector revenue**

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.

Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient's average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

For administrative convenience, Treasury's Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

5. **Providing premium pay for essential workers**

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- ✓ Staff at nursing homes, hospitals, and home-care settings
- ✓ Workers at farms, food production facilities, grocery stores, and restaurants
- ✓ Janitors and sanitation workers
- ✓ Public health and safety staff
- ✓ Truck drivers, transit staff, and warehouse workers
- ✓ Childcare workers, educators, and school staff
- ✓ Social service and human services staff

Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

6. **Investing in water and sewer infrastructure**

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions.

7. **Investing in broadband infrastructure**

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

8. **Ineligible Uses**

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.

City of Fredericksburg

FY 2022 Budget Calendar

May 19	Wednesday	Council Work Session- Council Budget Priorities
May 21	Friday	City Manager Provides Budget Guidance to Department Heads
May 24-June 23		Department Heads Prepare Proposed Operating and Capital Budgets
June 8 - June 23		Develop Updated Capital Improvement Plan
June 16	Wednesday	Publish Notice of Public Hearing on Budget
June 28 - July 9		Meetings with CM, ACM, Finance Department, and City Departments
July 6	Tuesday	Five-Year Capital Improvement Plan (CIP) Presentation to Council - (6:00 PM)
July 6	Tuesday	Public Hearing for Citizen Input on FY 2022 Budget - (6:00 PM)
July 7-15		City Manager, Assistant City Manager and Finance Director Prepare Balanced Budget
July 16	Friday	Send Proposed City Budget to City Council
July 21	Wednesday	City Council Workshop on Proposed General Fund Budget - (4:00 PM)
July 24	Saturday	Receive Certified Property Values from GCAD
July 28	Wednesday	City Council Workshop on Proposed Enterprise Fund Budgets - (4 PM)
July 31	Saturday	Calculation of No-New-Revenue and Voter-Approval Tax Rates by Tax Assessor/Collector
August 2	Monday	Budget Workshop with County Commissioners - (8:30 AM - 10:30 AM)
August 4	Wednesday	Publish Notice of Public Hearing on Budget
August 4	Wednesday	Publish No-New-Revenue and Voter-Approval Tax Rates
August 11	Wednesday	City Council Budget workshop on all Funds – Proposed General Fund & Enterprise Funds Budget - (4 PM)
August 23	Monday	Council Public Hearing on Proposed Budget/No-New-Revenue Tax Rate Submitted to Council/Approve Proposed Tax Rate
September 1	Wednesday	Publish Notice of Public Hearing on Tax Rate Increase (if necessary)
September 8	Wednesday	Public Hearing on Tax Increase (if necessary) -(6:00 PM)
September 8	Wednesday	Publish Notice of Tax Revenue Increase (if necessary)
September 20	Monday	Council Adopts Separate Budget and Tax Rate Ordinances - TBD (6:00 PM)

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Kiehne, to approve on second reading Ordinance 2020-03 amending the Zoning Ordinance of the City and establishing the Zoning District as to tracts located along the south side of W. Live Oak Street, extending from east of Post Oak Road to west of Smokehouse Road, upon annexation into the City; establishing Residential, Public Facilities, and Commercial Zoning for said property upon annexation; and providing for an effective date. On roll call vote:

Councilmember Musselman	aye
Mayor Neffendorf	aye
Councilmember Kiehne	aye
Councilmember Rickert	aye
Councilmember Watson	aye

~~The motion carried unanimously.~~

8. OTHER ACTION ITEMS AND UPDATES

A. Consider, discuss, and take appropriate action regarding the City Council FY2021 budget priorities.

Kent Myers, City Manager, reviewed the challenges the City faces due to the decreases in several major revenues because of the pandemic. He also provided options for increasing revenues and decreases in expenditures. He reported every year at the start of the annual budget process the City Council is asked to provide their priorities and direction. The City Council discussed the challenges the City faces in the FY2021. They provided the following priorities:

- Conservative approach to revenue projections
- Maintain current level of City services
- Avoid increases in taxes or fees unless critical to maintaining City services
- Maintain attractive appearance of community (i.e. code enforcement, vegetation management, etc.)
- Delay new major expenses until next year if possible
- Decrease certain expenses such as overtime and protocol

B. Consider, discuss, and take appropriate action regarding a presentation by Kimley Horn on the Transportation project and Traffic Impact Study.

Garrett Bonn, Assistant Engineer, stated as part of the Transportation Projects Traffic Impact Study, Kimley-Horn was tasked with identifying, evaluating, and recommending short term projects that could help enhance operations and safety on the transportation system within the City of Fredericksburg. He introduced Jake Gutekunst with Kimley-Horn.

Jake Gutekunst, Kimley-Horn, provided a PowerPoint Presentation regarding short-term projects summary, safety projects, operational projects, and funding improvements.

The City Council discussed the different projects, the timelines of the projects, and the current TxDOT process regarding the funding of projects.

C. Consider, discuss, and take appropriate action regarding:

i. The July 4th Parade

Jennifer Krupa, Special Events Coordinator, reviewed the history of the Governor's Executive Order related to mass gatherings.