



CITY OF FREDERICKSBURG, VIRGINIA

CITY COUNCIL

MINUTES

Council Chambers, 715 Princess Anne Street
Fredericksburg, Virginia 22401

ITEM #9F

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

Council Work Session

April 13, 2021

Architectural Review Board Interviews

Fiscal Year 2022 Recommended Budget Discussions

Height Amendment in Planned Development – Commercial Zoning District

The Council of the City of Fredericksburg, Virginia held a work session on Tuesday, April 13, 2021, beginning at 5:30 p.m. using electronic communication through GoToMeeting pursuant to and in compliance with the City Council Ordinance 20-05, an ordinance to address Continuity of City Government during the pendency of a pandemic disaster.

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

Council Absent. Vice-Mayor Charlie L. Frye, Jr. (work).

Also Present. City Manager Timothy J. Baroody, City Attorney Kathleen Dooley, Community Planning and Building Services Director Charles Johnston, Budget Manager Brenna Erford, and Clerk of Council Tonya B. Lacey.

Others Present. School Board Chair Jannan Holmes, School Superintendent Marci Catlett.

Architectural Review Board Interviews.

Laura Galke – Ms. Galke said she would like to serve because she was proud of the City and she appreciated what the City had accomplished. She said the City was a special place and she would like to pay back and serve the community. When asked about using alternative material versus original materials Ms. Galke said it was great to use authentic materials when possible but if there were alternative materials that would allow and maintain the feel of the craftsmanship she was for being innovative. The point of the ARB was to keep the community moving forward. Authenticity was great when it could be maintained for integrity but if there

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were opportunities to improve buildings while maintaining character it needed to be considered. Ms. Galke said Fredericksburg had gotten it right having multi-functions co-exist and work well together. She said preservation was part of Economic Development and that was why people wanted to come here. Ms. Galke said she was all for compromise and she was confident compromise could be made between Board members if there was an issue. She said items that concern her are building height, parking and the view of the river but she would want to hear from others on how to manage the resources.

Ms. Galke said American History was hard and she commended the City for taking its time with the Slave auction block decision. She spoke of how impressed she had been of the City and she expressed that she would love to serve.

Fiscal Year 2022 Recommended Budget Discussions. Budget Manager Erford presented a PowerPoint slides and she discussed the following: Budget Amendments and Options and those amendments were with the Compensation Board, Regional Tourism, Health Department, Voter Registrar, Various Line Items, Department of Social Services BPOL Increase, General Raises and 3 percent to 4 percent for Department of Social Services. See Attachment I for more information.

Councilor Duffy disclosed that he was employed by the Fredericksburg Schools System as the Principal at James Monroe High School but that he could participate fairly, objectively and in the public interest.

Mayor Greenlaw called for budget amendments from Council and Councilor Graham propositioned moving money assigned for the James Monroe and Upper Lafayette expansions in the School Capital Bond fund to a new item for a new School with a goal of opening in Fiscal Year 2024 if possible (\$3 million \$2m from City and \$1m from the schools).

Councilor Kelly expressed concern for making decisions on spending \$400,000 from BPOL when the \$400,000 had not been earned. City Manager Baroody said Council had discretion to take the \$400,000 and push it elsewhere. He explained that even at a four percent increase to salaries the City would still be trailing the State, schools and Stafford County. He said the City was barely keeping up at four percent and he asked the Council to please support some sort of increase. He said they are also proposing a class and compensation study.

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Schools – School Board chair Jannan Holmes read a letter to the Council. See attachment III for more information.

Mayor Greenlaw asked if there was a proposal to advance enough cash to get the preliminary planning completed so that the schools could come back with a timeline and Superintendent Catlett said they have a preliminary draft of what needed to be completed.

Ms. Erford previewed the memo provided by Assistant City Manager Whitley the memo presented two options a school opening in 2025 and the other option was the school opening in 2027. See Attachment II for more information.

Mr. Baroody said the net effect of all this was about a 7-8 cent increase annually to cover debt services for the school building.

Councilor Withers asked if the configuration of the new school would take the pressure off of the Upper Elementary school and Dr. Catlett said a new school would definitely take some of the pressure off, but she said she could not speak of what the configuration would look like because it was too early.

Councilor Kelly said this would be under the City's debt limit but the debt limit was set by the value of the interest rate based on the bond ratings. He said the advisor said between 3 and half and 4 percent was where the City should keep the rating down and if you go much over that it would change. Mr. Baroody said getting to the maximum was too aggressive. Councilor Withers said if the school was built in the next three years the City would have to cut out some of its Capital Improvements Plan. He said people need to understand if this school was built there are other things the City would have to do without.

Councilor Duffy wanted to know the disadvantages and the advantages moving the school up. He would like to see the impacts it would have on the budget as well as the cost of not building it.

Councilor Devine said she appreciated staff getting the numbers together. She was curious what the bond rating would be but by serving on the Capacity Taskforce she was able to see what was needed and she said Fredericksburg was a community that served everyone but the younger members of the community were not being served right now.

Councilor Kelly said if the City was going to build this he needed to know what projects would be put on hold. He asked if the City knew it was in need of a school why did it build a

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courthouse, a park and spending \$12 million on Walker-Grant. He said the Council needs to be very involved in the costs and design and location of the building.

Superintendent Catlett explained that the School Board approved the \$1 million allotment and she has asked her staff and the consultant to research the cost related to building a school. She said State and Federal funds were being allocated for infrastructure. Superintendent Catlett said they were not expecting the City to bring it all to the table and she said they would pick up cost where they could with funding. She said they would be using Crabtree to help come up with grants and other options.

Chair Women Holmes agreed and said they wanted all the City projects to move forward as well.

Council had a robust conversation on the economy, tax rates and needs of the City. Councilor Graham stated that this was a moral obligation and these items were needs, not wants, and he stated that if the tax rate was too much for people there was a tax abatement program that could assist those citizens. With the rapidly growing City these were changes that would have to happen. Councilor Withers added that there was no question that these were needs but he wanted everyone to know the costs.

Councilor Graham said as the years go by he would like to take a look at the tax abatement program to make sure it worked for everyone.

Councilor Duffy said he worries that the needs of the schools were stacking up and being pushed out too far.

Mayor Greenlaw stated that there were other needs in the schools. She noted the moving of students around to help alleviate some of the problems. She said there were programs that the schools would like to do to help alleviate other issues such as the apprentice program with Germanna. Mayor Greenlaw said the City had reached a point where there were significant capital projects and the tax base would have to be increased as well as continuing to tighten the budget where it could be tightened. She said this could not be on the backs of the employees because they have been underpaid too long and she said she would fight to keep the raises in for the employees.

Height Amendment in Planned Development – Commercial Zoning District. Zoning Administrator Newman presented a PowerPoint presentation and he

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discussed the following: Overview of the Text Amendment for Increased Height in PDC Zoning, Location – Funland, Draft Language, Example and Staff Recommendation.

Councilor Withers asked if this could be handled under a special exception rather than changing the zone and Mr. Newman explained that the special exceptions were for bulk, scale and massing, they were not meant for height. In order to get a height above the zoning district maximum amount a variance was needed from the Board of Zoning Appeals and in order to get a variance there needs to be proof of a hardship and in this case a text amendment was a smoother path. This amendment would apply to the PDC zoning only for outdoor recreation. Councilor Withers noted that he would not want to see the structure from the river.

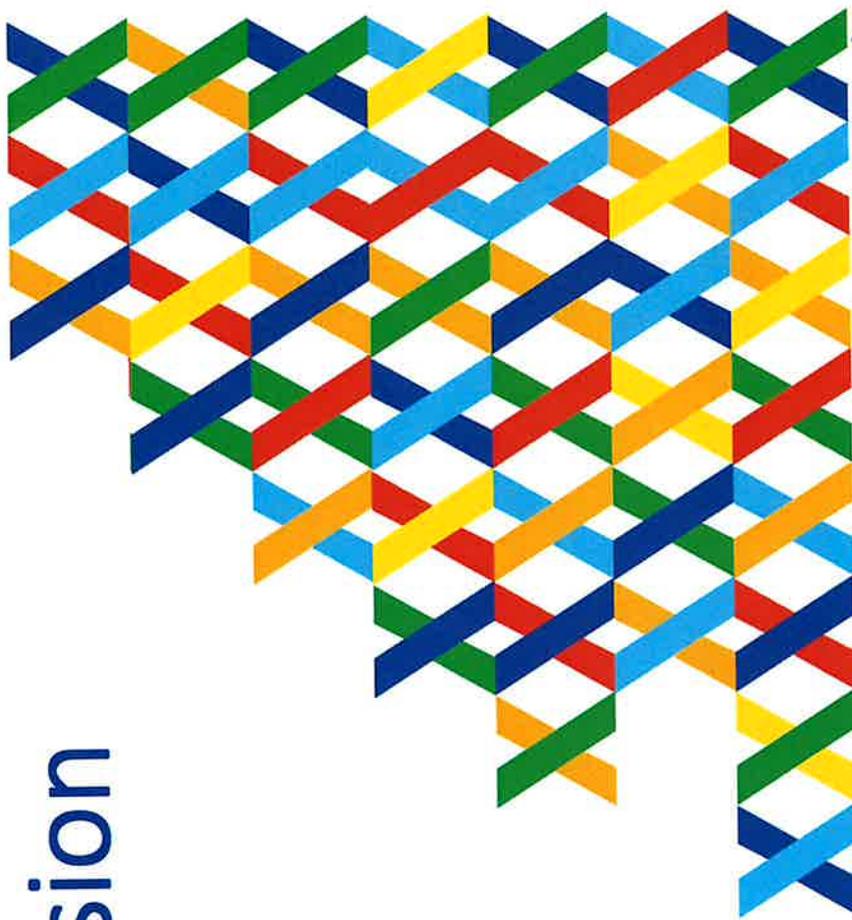
Adjournment. There being no further business to come before the Council at this time. Mayor Greenlaw declared the session officially adjourned at 7:00 p.m.

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

Budget Work Session

April 13, 2021

FY 2022 Budget



Budget Amendments & Options

	General Fund Impact		City Grants Fund Impact		Social Services Fund		All Other Funds	
	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
#1 - Compensation Board Changes	\$ 56,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sheriff	\$ 8,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commonwealth Attorney	\$ 9,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Clerk of Circuit Court	\$ 34,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treasurer	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commissioner of the Revenue	\$ 3,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#2 - Changes to Regional Tourism	\$ -	\$ -	\$ (210,000)	\$ (210,000)	\$ -	\$ -	\$ -	\$ -
Transfer to Grants	\$ -	\$ (70,000)	\$ (70,000)	\$ -	\$ -	\$ -	\$ -	\$ -
EDT - Advertising	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spotsylvania contribution	\$ -	\$ -	\$ (70,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Stafford contribution	\$ -	\$ -	\$ (70,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Program Expenditures	\$ -	\$ -	\$ -	\$ (210,000)	\$ -	\$ -	\$ -	\$ -

State increased Revenue to offset cost.

*Program not going away \$70,000 will move back to EDT
City will no longer be the fiscal agent*

Budget Amendments & Options

	General Fund Impact		City Grants Fund Impact		Social Services Fund		All Other Funds	
	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
#8 - General Raise	\$ -	\$ 296,257	\$ 2,967	\$ 2,967	\$ 185,116	\$ 185,116	\$ -	\$ 15,000
Increase City COLA from 3% to 4%	\$ -	\$ 293,290	\$ -	\$ 2,967	\$ -	\$ -	\$ -	\$ 15,000
GF Transfer to City Grants Fund	\$ -	\$ 2,967	\$ 2,967	\$ -	\$ -	\$ -	\$ -	\$ -
#8a - 3% to 4% for DSS Only	\$ -	\$ -	\$ -	\$ -	\$ 92,558	\$ 92,558	\$ -	\$ -
Tech Correction - 3% DSS COLA	\$ -	\$ -	\$ -	\$ -	\$ 74,317	\$ 74,317	\$ -	\$ -
3% to 4% DSS Only	\$ -	\$ -	\$ -	\$ -	\$ 18,241	\$ 18,241	\$ -	\$ -
Total Impact, by Fund	\$ 497,933	\$ 395,159	\$ (207,033)	\$ (207,033)	\$ 349,723	\$ 349,723	\$ -	\$ 15,000

New Elementary School Options

- Funding Plan
- Discussion - \$6 million cash target for project
- Cost assumptions
 - Debt Service
 - Operating Costs
 - Site Selection
 - Programming
 - Procurement timeline
- Debt Impact
 - Policy Debt Limit



MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Mark Whitley, Assistant City Manager
RE: Discussion of New School – Financial Plan
DATE: April 8, 2021

The City Council is considering a couple of options to construct a new school. This memorandum will explore a couple of different options – one that opens a new elementary school in the summer of 2024 (FY 2025), and one that opens a new elementary school in the summer of 2026 (FY 2027).

Funding Plan

Here is the funding plan based upon two separate assumptions – one for the school opening in FY 2025, and one based upon the school opening in FY 2027. The planning model utilizes a portion of the debt service savings - \$450,000 - in FY 2027 to offset the costs of the new school, and assumes that the remainder of those savings will go towards meeting other service or program needs.¹

The funding plan here makes several assumptions – one is that one penny of real estate tax will produce approximately \$450,000 of revenue, based on the current real estate valuation.

The second assumption is that new growth will increase revenues, but this revenue growth will be needed to support operating and capital maintenance costs in City government – including ongoing local costs for the school system outside of the costs of the new school. The model isolates the cost of the new school for planning purposes, but the final tax rate in a given year will vary depending upon revenue growth and other needs of the City.

The planning model also assumes that the cost of construction will increase over time – the FY 2025 project is assumed to be \$36 million, and the FY 2027 project is assumed to be \$41 million. Both models assume \$6 million of cash contribution.

¹ There are no significant offsets to debt service in the General Fund until FY 2027 – when there is an approximate \$660,000 decrease. There will be a major increase in debt service in FY 2031 – the first year after the 2004 school bonds are paid – of approximately \$3 million / year. The expiration of debt service provides opportunities for decreases in costs that help offset the increased cost for school debt service and operations without any increased revenue.

between the two years. The remainder (\$550,000) may be available for use for the new school project.

Some of these funds will need to be expended to work on preliminary programming and site selection confirmation. However, if the City can set aside a total of \$6 million towards the development of the project, the ongoing debt service will be lowered by a total of almost \$350,000 per year – depending on the final terms of the debt service.

The City and the FCPS should be able to target at least a portion of any additional fund balances which may become available at the close of FY 2021 to the new school project, with the goal of meeting \$6 million in total cash available for the project.

Cost Assumptions – Further Discussion

Debt Service

The cost of debt service can be variable. Here are estimates based on different principal amounts, slightly lower and higher interest rates, and longer amortization terms – 25 and 30 years.

Borrowing Amount	Interest Rate	25 Year Term – Annual Debt Service	30 Year Term – Annual Debt Service
	2.5%	1,617,000	1,424,000
\$30 Million	3.0%	1,710,000	1,521,000
	3.5%	1,806,000	1,620,000
	2.5%	1,886,000	1,662,000
\$35 Million	3.0%	1,995,000	1,774,000
	3.5%	2,107,000	1,891,000
	2.5%	2,156,000	1,900,000
\$40 Million	3.0%	2,280,000	2,028,000
	3.5%	2,408,000	2,161,000

Operating Costs

The City staff has assumed a significant increase will be needed in the local transfer to schools for the operating costs of a new school. Some costs for a new school will be able to “transfer over” – for example, many teachers will be able to be re-assigned from an existing school to the new school. However, other costs will be “new” – including school support and administration, custodial and cafeteria staff, building operations and maintenance staff, some instructional positions, and additional transportation staff.

There will also be utility costs and building maintenance costs for the new school. Lafayette Upper Elementary School has utility costs of approximately \$160,000 per year for electric, natural gas, and water & sewer, as an example.



FREDERICKSBURG CITY PUBLIC SCHOOLS
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SCHOOL BOARD
Jannan Holmes, Chair
Reverend Jarvis Bailey, Vice Chair
Jennifer Boyd
Malvina Rollins Kay
Kathleen Pomeroy
Elizabeth Rehm

Formal Communication
April 12, 2021

Thank you for the opportunity to come before you this evening to address the most critical issue confronting Fredericksburg City Public Schools. Because schools teach our youngest citizens, and reflect the vibrancy and commitment of a city, this issue critically affects our community, as well. As a School Board and on behalf of Superintendent Catlett, we are extremely appreciative of the collaborative working relationship that has been established with Mayor Greenlaw and our City Council. We have spent hours working together to assess our schools' needs and our city's capacity to address our growing population. After mindful consideration of the City's current proposal, we, your School Board, are requesting opening a new school in three years as opposed to the proposed five years.

The most important factor to consider is the negative impact that delaying the process will continue to have on our students and staff. When we opened an addition at Hugh Mercer Elementary School in 2013 it provided adequate space for only two years. When Lafayette Upper Elementary School was built 15 years ago, potential graduating class sizes were considerably smaller than the nearly 350 students we currently see in elementary grades today. Since that time, our enrollment has greatly expanded, which has caused a multitude of subsequent problems related to overcrowding.

These are our youngest learners in their critical formative educational years. This is when they learn to read and write, add and subtract, and form relationships with their peers. Research shows that investing in our youngest learners increases graduation rates and decreases dropout rates. Despite an internal focus group working to address these rates, this effort will never reach full potential if overcrowding continues to be a problem. Large class sizes at the primary level do not benefit education. Research clearly suggests smaller class sizes benefit our youngest children.

Large schools have been attributed to lower levels of student achievement, higher retention rates, chronically absent children, and increased discipline issues. We know students drop out of school when they do not feel connected; large class sizes and large schools paradoxically isolate children – students do not feel like they are part of a community. Building healthy relationships is crucial to a successful educational experience. Younger children need a great deal of guidance and supervision. Students need to know that caring adults are paying attention to them. It makes them feel secure and builds the trust they need to have with adults, and their community. Elementary

grades. Our students deserve smaller sized schools now, not in five years. We implore you to stand with us and ensure that Fredericksburg is no longer the place in Virginia that has the multitude of challenges for our elementary students and to make this change as soon as possible.

Delaying construction only increases the cost. While current construction prices are elevated due to COVID, we have no assurances that these costs are going to come down in the future. We know that real estate prices are only increasing. Every year we wait means things cost more. We know that interest rates are at all-time lows – making now the time to take action before they increase. We want to be ready to build in the event that federal dollars become available for school building projects. Previous federal dollars targeted for schools had time constraints - meaning the projects had to be “shovel ready” to access those monies. From a cost perspective and timeliness, it just makes sense to build sooner.

The need for a new school right now is clear. We know that. We cannot wait five years for a new school building. We need to start right now so that we will be able to open the doors on a new school as soon as possible. Five years is too long to wait.

Cutting five years to three years will:

- Improve safety;
- Improve delivery of academics and likely improve achievement;
- Ease school management issues related to large schools;
- Save on costs;
- Increase play areas for our students;
- Reduce unsightly and unsafe trailers; and,
- Demonstrate that every year is important in a child’s life.

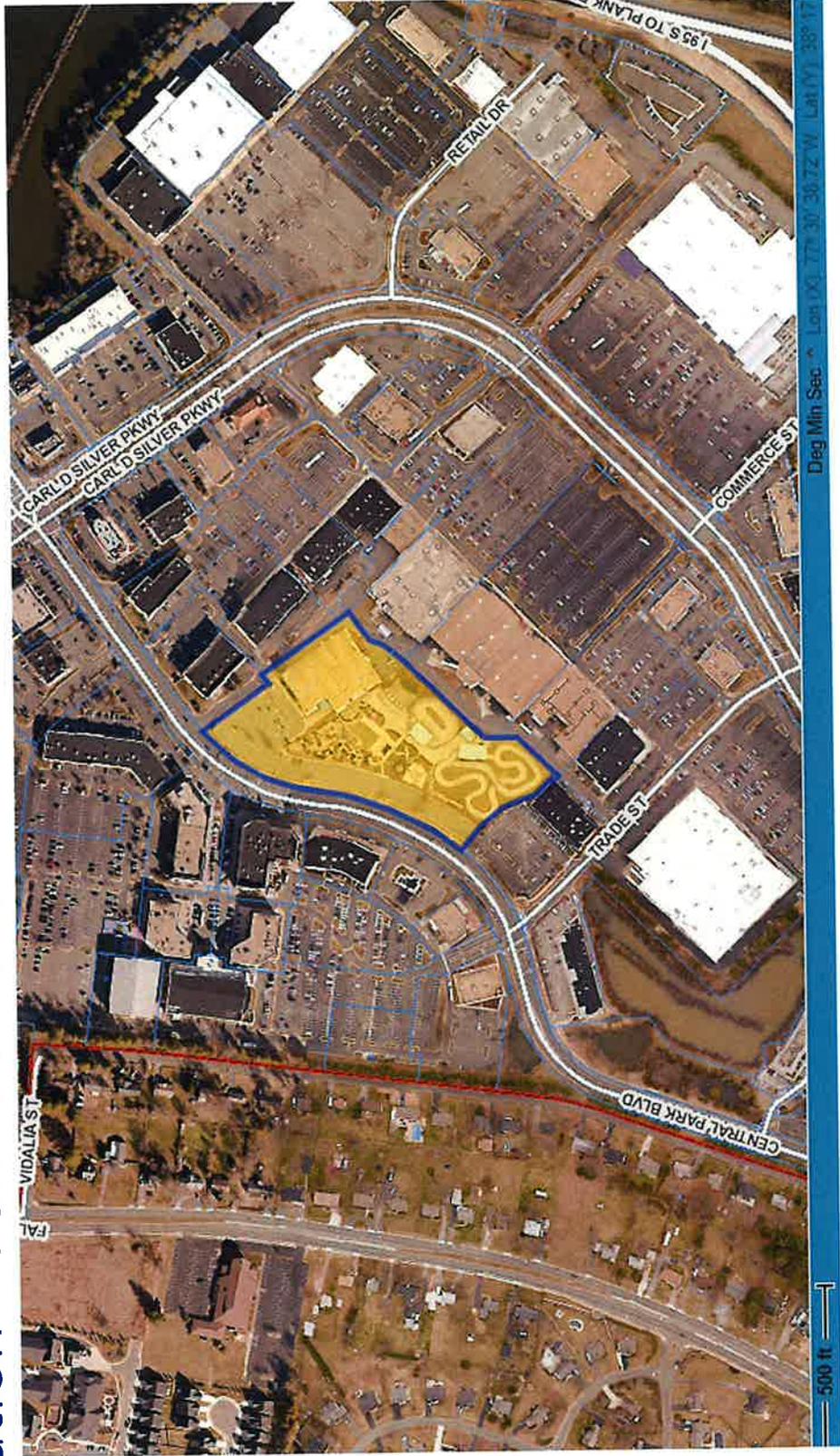
We want to be a partner in this and understand the concerns with costs; we are investigating various options to build and the related ways to finance considering possible state and federal dollars. We are currently reaching out to investigate options to be best prepared for a move forward. Understanding that, we ask that you provide monies in the budget so that we can begin design work in FY22 and prepare for site work and construction documents.

Our wonderful students, committed families, dedicated staff, and phenomenal community deserve better. Please continue to support us in our quest to provide the best educational opportunities for our students.

Text Amendment for increased height in PDC zoning

UDOTA 2021-04

Location – Funland at 1351 Central Park Boulevard



Example

- 199 ft. tower in Central Park
- Approved by Council in 1998

