



CITY OF FREDERICKSBURG, VIRGINIA
CITY COUNCIL
MINUTES
Council Chambers, 715 Princess Anne Street
Fredericksburg, Virginia 22401

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

March 24, 2022

The Council of the City of Fredericksburg, Virginia, held a special joint public hearing with the School Board on Thursday, March 24, 2022, beginning at 7:00 p.m. at James Monroe High School in the auditorium.

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

School Board Present. Chair of the Board Kathleen Pomeroy. Vice-Chair Malvina Rollins Kay, School Board Members Jarvis Bailey, Jennifer Boyd, Jannan Holmes and Matt Rowe.

Others Present. City Manager Timothy J. Baroody, Assistant City Manager Mark Whitley, City Attorney Kathleen Dooley, and Clerk of Council Tonya B. Lacey.

Also Present. Superintendent Dr. Marceline Catlett, Deputy Superintendent Dr. Matthew Eberhardt, Steven Halsey from Mosely Architect, and Kevin Rotty, the City's Financial Advisor with PFM.

Opening Prayer and Pledge of Allegiance. Council was led in prayer by School Board Member Jarvis Bailey followed by the Pledge of Allegiance led by Councilor Jason N. Graham.

Disclosure. Councilor Duffy disclosed that he was an employee of the Fredericksburg City Schools but he was able to participate in the transaction fairly, objectively and in the public interest.

Purpose. Assistant City Manager Whitley, explained the purpose of the meeting was to give a general overview of the project, overview of the Interim Agreement to construct a new school on City property in the Idlewild neighborhood and discuss the finances. He also reviewed the order of the meeting and he introduced each of the presenters: Assistant Superintendent Dr. Matthew Eberhardt, Mosely Architect Steven Halsey, City Attorney Kathleen Dooley and Financial Advisor Kevin Rotty.

General Overview of the Project (D22-__). Dr. Eberhardt presented a PowerPoint and he discussed the process they utilized for this project called the Public-Private Education Facilities and Infrastructure Act (PPEA), the sites reviewed (Idlewild, Dixon Park, land between Lafayette and Walker-Grant Schools and adjacent to Hugh Mercer), needs of the middle school, target opening of August 2024 and the breakdown of the students between the 3 elementary schools. (See D22-__) for more information.

The second half of the presentation was given by Mr. Halsey from Mosely Architects. Mr. Halsey discussed the Feasibility Study of the 2300 Fall Hill building. He talked about the purpose of the study, site size and traffic and the investigation of

potential uses. Those uses included: Secondary School, Primary School, Office Use, Career and Technical Education/Classroom, combined use, middle school, senior living, multi-family and Idlewild Site.

Overview of Interim Agreement (D22-__). City Attorney Dooley presented a PowerPoint discussing the Basic Concepts of the PPEA, Interim Agreement - Scope of Work, Interim Agreement - Process, Interim Agreement - Time and Money, the Next Steps and Staff Recommendation.

Financial Context (D22-__). Mr. Whitley presented a PowerPoint and he discussed the Cost of the Project, Impact on the Fiscal Year 2023 Budget and Beyond, the Current Debt Service Schedule – General Fund and General Fund – Debt Service after New Debt.

Mr. Rotty, the City's financial advisor with PFM, said while the cost of the projects are higher than the City would like but they are essential core governmental functions. He said although there are significant costs doing these projects there was significant costs to not doing them such as aging infrastructure and deferred maintenance. Mr. Rotty said from a financial forecast of higher interest rates and escalating construction costs, he suggests doing the projects sooner was better than later.

He said the City had the capacity to issue the debt and stay within its financial policies. The projects would take up a significant amount of the City's future debt capacity but the general fund debt portfolio would comprise of two generational projects, the courthouse and the new middle school.

The City's bond rating remains strong, AA+ by Fitch, S&P and Aa2 by Moody's. Mr. Rotty said it was thought that these ratings would be reaffirmed because these were essential governmental projects and the City has a reasonable plan to pay the debt service. He said there were four components to the bond rating: the economy, the management, the finances and the debt. Mr. Rotty said the City was performing extremely well in the economy, the managements thoughtful approach, city staff has demonstrated that the debt was manageable. He said he regularly talks with the rating agencies and there was an annual surveillance and he's been hinting that these projects were coming and the rating agency visited the city before the pandemic and were favorably impressed.

Mr. Rotty said they were preparing for a couple of needs such as the stormwater needs and the new fire station. He said they were planning for a General Obligation bond sale this summer, in case the if Council decided to move forward with the project he wanted to be sure the City was in a good position to borrow and enter into a comprehensive agreement.

Mr. Rotty mentioned there were also a couple of General Assembly school construction bills that he would be watching closely and could lower the costs of bonds with grant funding.

Finally, he touched on the current interest rate stating that the Federal Reserve had been trying to fight inflation by raising the short term borrowing rate and it has had a rippling effect on the market and rates had gone up significantly in the last few months. He said the City's interest rate borrowing costs had inclined about one percent

and it was expected to increase for the foreseeable future, but the city was coming off an all-time low interest rate. With that said he said the borrowing cost would be around three percent and the sooner the Council makes a decision, the better, so that it could lock in an interest rate.

Notice of Public Hearings (D21-__ thru D21-__). The Clerk read the notice of the public hearing as it appeared in the local newspaper, the purpose being to solicit citizen input.

Disclosure. Vice-Mayor Frye disclosed that his spouse was an employee of the Fredericksburg City Schools but he was able to participate in the transaction fairly, objectively and in the public interest.

Catie Finlayson, 1105 Great Oaks Lane, has two children in school and she has pushed for the last couple years for a sustainable long term fix to the City's overcrowding issue. She stated that after additional research it was determined that the City's overcrowding was growing. This area has been designated as the fastest growing for the past five year and for this reasons she strongly encouraged the Council to approve and Interim Agreement between the Fredericksburg City Public Schools and First Choice, LLC to allow the construction of a new middle school. She was also in agreement of using the ESSER funds for the renovation of the current middle school for an elementary school.

Emily Taylor, 437 Hanson Avenue, thanked the City Council and the School Board for working together to solve the capacity issues. She said building a new middle school and using the ESSER funds to renovating the current middle school for an

elementary school made sense. She said she was an educator and she has seen the benefits a smaller school makes. She noted that when elementary schools are too large they negatively impact students in several areas including lower attendance, increased discipline problems and lower student achievement. She noted that having adequate space for students to learn was essential. She encouraged the City Council to support the Interim Agreement.

Leah Courtnage (22-__), 407 Fauquier Street, thanked the City Council and the School Board for having the public hearing and for the transparency in the process. She encouraged the Council to vote for the Interim Agreement so that the schools would not lose the millions of dollars they were eligible for.

Becky Slominski, 701 Hilltop Lane, she has been an educator at Walker-Grant since 1991 and she talked about how crowded the hallways were. She said they have outgrown the building on many levels. Ms. Slominski stated that the technology was outdated for a middle school. The classrooms are awkward size and there was no way to move the students throughout the building. She said the school would be perfect for an elementary school and the kids needed a modern middle school.

Thomas Hayden, 428 Morningside Drive, an educator in Fredericksburg City Schools for eleven years. He spoke of how crowded Hugh Mercer was and he said it would be great to have the third middle school. He spoke of how difficult it was to collaborate with other teachers. He also spoke of how much of an opportunity it would be to have workforce development in the schools. He asked the Council to approve the Interim Agreement quickly.

Kimberly Bastress (22-__), 1001 Kenmore Avenue, asked the Council to vote on the Interim Agreement so that the federal funds would not be jeopardized. She said she had been following the conversations since December because she has three kids in the City school system.

Brian Stelmok, 1117 Wright Court, stated that originally he was hesitant about building a new school versus expanding the existing schools, but he said it was abundantly clear there was a need to build a new school. He supports building the school in Idlewild. He expressed his concern with how it would be paid for based on the debt service. Mr. Stelmok said he hoped the Council would consider the land swap with Mary Washington Healthcare. He said the City would have to look really hard at opportunities so that it would not have to increase the tax rate too high.

Michelle Chew, 1007 Landrem's Retreat, thanked the Council and School Board and she spoke in support of building a middle school in Idlewild. She said a middle school in a neighborhood was ideal. She was not in support of an office building in the same space as the school.

Holly Clark, 1504 Winchester Street, stated that she has three small children and they would all be in Hugh Mercer in the Fall. She supports moving forward with the Interim Agreement. She spoke of the economy and the interest rate and how this was the perfect time to move on building the school. Ms. Clark said majority of the properties in the City were rentals and she owns several rental properties in the City and she said she was willing to pay an increased real estate tax rate because it would not affect the renters.

Christina Mitchell, 1808 Washington Avenue, stated that in addition to being a resident she was an educator for the City schools, she's an advocate for students and she is a parent of City school students. She spoke of how crowded Hugh Mercer was and how she had to share a room to test her small group of students. She also spoke of how her daughter, who is in middle school, carries all of her books for class because the halls are so crowded she is worried she will be late for class. She said the City's Schools moto is "Excellence in Education" but she said this is not so, with all the overcrowding issues and the problems that come with it. She said the time was now for a new school and she asked the Council to please vote for the Interim Agreement.

Hamilton Palmer, 1500 Caroline Street, said there needed to be discussion on several things before agreeing to building a new school. He said the \$57 million should be discussed. He said he was concerned about the transient attendance at the schools. He wanted to know if the trends in attendance were still valid. Mr. Palmer said the \$3.7 million in design fees and the \$1.3 million of that he would like to see spent on rewarding teachers for the good job they are doing. He talked about how the City schools rank in the bottom percentile in Virginia. He did not agree that a new school would fix a failing school system. Mr. Palmer said the schools need to spend the money educating the students so they can be the best educated students and workforce in Virginia before investing in building a new school.

Billy Hays, 1105 Walker Drive, serves as the Vice-President of the Village of Idlewild Homeowners Association, and he thanked the City Council for the great governance he has experienced the 17 years he has lived in the City. He said Idlewild

had 2,000 or more residents that live in 785 homes. He asked the Council to keep in mind the character of Idlewild and the impacts on the character of Idlewild.

Jessica Kujala, 1508 Winchester Street, stated that she and her husband has three kids who would be attending city schools. She expressed their support for the Interim Agreement. She felt there had been ample opportunity for citizens to give feedback. She said thriving public schools build the foundation from which the community stands. She said the environment which the children spend hours each day was important. Ms. Kujala noted that the noise level in an overcrowded school was unbearable and it could impact students with disabilities.

James Chew, 1007 Landrem's Retreat, Treasurer for Idlewild Homeowners Association, he said the Board appreciates the school and they know the value of good schools. He said they do good for communities and he urged the Council to act now.

Gin Schaffer (D22-__), 804 Mortimer Avenue, spoke in support of building a new middle school in Idlewild and renovating Walker-Grant Middle school for a third elementary. She asked Council to make the schools a priority, she did not want to risk the schools losing available resources.

Andy Wolfenbarger (D22-__), 1324 Walker Drive, spoke in support of the middle school being built in Idlewild but not the Mary Washington Healthcare offices. He said he did not think there was sufficient space nor would it be appropriate for the office building.

Kim McClellan (D22-__), 1509 Idlewild Boulevard, expressed concerns about the impact on the quality of life in Idlewild with the combo school/medical office building.

She was concerned with the traffic and congestion that an office building would bring to the neighborhood and she asked the City to conduct some research on the potential for increased traffic so the neighborhood would fully understand the impact.

Lori Fowlkes (D22-__), 1003 Hoke Lane, stated that she had been eagerly anticipating the new school that was to be built behind her home, but she was against the office building locating there. She suggested the city offer Mary Washington Healthcare an incentive to upcycle and existing abandoned building within the city.

Annemarie Hague (D22-__), 1913 Idlewild Boulevard, presented four questions to the Council and they were as follows: What are the specific steps being taken with respect to planning for the impact of the school on Idlewild Village traffic? Shouldn't the goal for traffic correction be to improve the already disconcerting traffic situation in Idlewild Village, specifically the large volume of cut-through traffic? What alternative access to the school campus is being considered other than Gateway Blvd? What financial commitments is the city prepared to make for traffic-related improvements (e.g., signals, added lanes, turn lanes) and mitigation measures such as signage.

Resolution 22-19, Approved, Approving an Interim Agreement between the Fredericksburg City School Board and First Choice Public-Private Partners, LLC for the Design of a New Middle School. Councilor Graham made a motion approving Resolution 22-19, approving an Interim Agreement between the Fredericksburg City School Board and First Choice Public-Private Partners, LLC for the design of a new middle school; motion was seconded by Councilor Devine.

School Board Member Kay noted an apparent typo in the agreement on Page 10, sentence numbered 2 which references a single neighborhood. She thought it should be plural neighborhoods. City Attorney Dooley agreed.

Mayor Greenlaw asked for clarification on the scope for one of the speakers and whether the scope was only for the school. Ms. Dooley said it was for both, she explained the site of the school would be on three parcels of land but they would need to figure out how the parcels would be configured and where the school would fit. She said the parties wanted to see the site layout in order to preserve viable acreage for other potential uses as determined by the City Council. Ms. Dooley explained that the Interim Agreement did not state what other potential uses could go on the remainder of the site.

Councilor Duffy stated he was in support of the motion because the agreement would get the information that was needed in order to find a plan to build a school. He thanked the School Board for their work. He noted that he understood the needs from being in the schools. He said he endorses this with sensitivity knowing the impact it would have on the citizens.

Councilor Kelly said he agrees that this has been a long ride and he discussed what people stated they wanted at the last public meeting in January 2020. He said he's been asking questions since then and the decision to build a middle school happened March of 2021 and some of the same questions are still being asked. He said there are challenges in the City schools that have nothing to do with what was being taught such as economics, social, cultural and he wanted to know how those would be dealt with.

He said in order for this to be successful these questions needed to be answered. Councilor Kelly discussed all the impacts this would have from the city having the lowest median income in the area to cost of living in the City.

Councilor Gerlach stated that he was in support because if there was further delay it would put the ESSER funding at greater risk and that would be fiscally irresponsible, he appreciated the comments given, and he explained there would be opportunity for more public comment, and he said it is important to lock in the interest rate.

School Board Member Boyd addressed some of the comments made by Councilor Kelly stating that many of them related to the performance of the City public schools. She invited him to review several of the last few school board meetings and she also invited him to continue to listen as there has been numerous presentations and discussion on what they are doing to address many of the issues. She stated that the motion was to proceed with the Interim Agreement which would give the additional information and engage the community more. Ms. Boyd said delaying the vote would put the schools in a critical position by putting funds at risk and going forward provides additional information. She also stated that a number of the issues that were mentioned at the January 2020 meeting that Councilor Kelly spoke of had been addressed through the joint ECE process.

Ms. Boyd said the success of the schools in the future is contingent on the environment that the students are in. It was necessary to have the environment and

space to have the space for learning and she noted that it was critical in the elementary age.

Vice-Mayor Frye said tax increases was a concern for him in the future because he did not want that to fall on the shoulders of those renting. He was excited that there was a career and technical component in the conversations starting at the middle school level.

Vice-Mayor Frye stated there had been people speaking negatively about the students and he wanted those people to know that these kids have things going on and no one know what those kids are going through. He thanked the educators for the work they do as well as the School Board. He said he was in support of the Interim Agreement because this would allow the Council to get some of the answers it needed.

School Board Member Rowe said they have been talking for months about the need to use the ESSER funds but the newest concern was locking in the interest rate. He said the interest rate was rising quickly and this could save the taxpayers thousands of dollars. He thanked the residents of Idlewild coming out and he said he supported the school going into Idlewild because it would pull the different communities in the City together.

Councilor Devine thanked everyone for coming out and speaking. She was in support of the Interim Agreement because this would be the next step forward to finding out the cost of the school. She said she had concerns but the biggest question she had was where they were going to house the growing population and now they know, it will be a middle school. She spoke of the needed projects in the City such as

the wastewater treatment plant and the need of a new fire station. She said these costs were a big concern for everyone. She said she did not feel they had delayed anything, they were doing their homework and she looks forward to a new facility for the students.

School Board Member Bailey stated that Fredericksburg was a great community and they have an opportunity to do great things. He spoke of how the City Council and the School Board collaborate and he said the process was one to marvel. Mr. Bailey said the time was now to take the next step. He said he trusts the process and he supports the Interim Agreement.

Councilor Kelly stated that he needed to know what the costs were and what the issues were and what resources were needed. He said he needed to know so that he could answer these questions for the public.

School Board Member Kay said the issues the schools face has been there year after year and they were not able to wrap everything up in a package and give answers because the educators, administrators find a way to get the work done. She noted that the budget they need to get things done is cut year after year but they get the work done and they would not penalize their educators. She said she looks forward to collaborating to get things done.

Mayor Greenlaw thanked the School Board and staff for the collaborative efforts. Mayor Greenlaw addressed the comments that Councilor Kelly made about programs and she said the buildings hold the programs and the design was organic to the programs it would hold.

Ms. Holmes reiterated what some of the teacher's stated that they have trouble doing some of the programming because they don't have the room. She said it was hard to do the programing if they do not have the space to do it.

Councilor Graham thanked everyone for coming out and he said they were making great progress. He was looking forward to discussing the schools budget.

School Board Member Boyd said every month that progress was delayed the cost of supplies and building material was going up significantly. She said operational costs would need to be discussed and she said they are currently operating a middle school so they already have operational costs for middle school. She also noted that the third elementary school would consist of a third of the teachers and students and that cost was already being spent.

The motion passed by the following recorded votes. Ayes (6). Councilors Greenlaw, Frye, Devine, Duffy, Gerlach and Graham. Nays (1). Councilor Kelly.

School Chair Pomeroy stated that this had been a long process and she thanked Dr. Eberhardt and Mr. Whitley for their work and for guiding them through the enrollment and capacity components. She said it was great that they could collaborate with the Council and work so well together.

School Board member Boyd mad a motion to approve the Interim Agreement between the School Board and First Choice Public Private Partners for the construction of a new middle school and authorize the School Superintendent to sign the Interim Agreement; motion was seconded by Ms. Holmes and passed by the following recorded votes. Ayes (6). Councilors Bailey, Boyd, Holmes, Kay, Rowe and Pomeroy. Nays (0).

Adjourned. There being no more speakers to come before the Council and School Board at this time, Mayor Greenlaw and Chair Pomeroy declared the hearing officially adjourned at 9:37 p.m.

Mary Katherine Greenlaw, Mayor

Tonya B. Lacey, Clerk of Council, MMC