



CITY OF FREDERICKSBURG, VIRGINIA  
**CITY COUNCIL**

Council Chambers, 715 Princess Anne Street  
Fredericksburg, Virginia 22401

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

**Council Work Session**  
**April 26, 2016**

**Establishing a Trust for Other Post-Employment Benefits (OPEB)**  
**Discussion Related to the Proposed Liberty Place Project**

**The Council** of the City of Fredericksburg, Virginia held a work session on Sunday, April 26, 2016, beginning at 5:30 p.m. in the City Hall Conference Room.

**Council Present.** Mayor Mary Katherine Greenlaw, Presiding. Councilors William C. Withers, Jr., Kerry P. Devine, Timothy P. Duffy, Bradford C. Ellis, Charlie L. Frye, Jr. and Matthew J. Kelly.

**Others Present.** City Manager Beverly R. Cameron, Assistant City Manager Mark Whitley, City Attorney Kathleen Dooley, Budget Manager Deidre Jett, Fiscal Affairs Director Clarence Robinson, Treasurer Brenda Wood, Planning and Building Services Director Charles Johnston, Zoning Administrator Michael Craig, VML/VACo Finance Managing Director Robert Lauterberg, VML/VACo Finance Deputy Director Steve Mulroy, Attorney Charlie Payne, General Contractors Tom and Cathy Wack, Wack Co. Project Manager Chris Derio, and Clerk of Council Tonya B. Lacey.

**Establishing a Trust for Other Post-Employment Benefits (OPEB).** Mr. Cameron explained OPEB means health insurance benefits for retired and retiring employees. Mr. Cameron also suggested adding \$1 million into the OPEB trust as well as the City joining the VML/VACo OPEB trust fund.

Mr. Lauterberg presented a presentation explaining how OPEB worked. He explained who VML/VACo was. He said the OPEB was one of two funds that they offer to local governments. He said they had \$1.1 billion dollars in local funds. The other service was an accounting service to assist local government with accounting. VML/VACo has become the most widely used financial service program in Virginia. Mr. Lauterberg said that investing in a

trust would lower the cost and are reviewed favorably by rating companies. He also discussed the new reporting requirements.

Mr. Mulroy discussed what the VML/VACo Pooled OPEB Trust offers, the target asset allocation; he showed the performance of an OPEB portfolio, the list of participants and the assets of the Pooled OPEB trust. (See attachment for more information).

City Council was in support of moving this item forward for action.

**Discussion Related to the Proposed Liberty Place Project.** Charlie Payne, attorney representing the developers of Liberty Place presented changes to the originally submitted plans. He explained that Council had approved the project with a special use permit but with changes to the general development plan (GDP) and changes to the exhibits they were seeking approval of those changes. He said they were asked to soften the façade on the Amelia Street corridor and he said they had done that.

Ms. Wack explained that the building had been shifted 3 feet back towards William Street. Mr. Wack said this would allow for a more robust planting bed. He said this would also allow them to preserve some of the grassy area. Ms. Wack said that they changed the windows on the Amelia Street corridor to smaller windows to help soften the look. On the third floor, they added cornice and they added eight inch bump outs so that the building was not a flat surface and the brick was a different color at the base. She added that the six balconies were no longer above the sidewalk but they would still require an air-rights lease.

Vice-Mayor Withers stated that one of the reasons he was struggling because of the 111,000 square feet was now 130,000 square feet and Mr. Wack explained that they added a bigger lobby, a fitness room and a club room in order to make the property more marketable but there was less residential and more commercial space than originally presented.

Mr. Wack also shared the original parking plans with Council and explained that everything was approved before discussion of public parking. There was an extensive discussion on whether the parking was approved before or after the plans were approved and when the TIF came into play with the project.

Vice-Mayor Withers asked for an explanation on how the square footage changed so much when there was a condition on it. The Wack's explained that the elevation that was before Council was approved in September 2015 in the revised MOU.

Councilor Devine was still concerned with the design being presented because she said it feels like a box and she felt as though the additional underground parking spaces were

dictating the look of above ground facility, but it looked completely different from what was originally presented to Council.

Mr. Payne stated that when you add features it inherently changes a project but he said the Wack's want to be partners with the City. He explained that because of the changes in the parking and a couple other changes the prior design did not work based on the priorities of the City and the feasibility of the project.

Mayor Greenlaw stated that this was a unique and viable agreement on parking. The project is one of the first real mixed used projects with high percentage of office as well as retail and residential and this met one of Council's goals. She believes the project had grown but in a healthy way, with Class A office space. She feels with the bump outs it looked more residential and she feels the project needed to move forward.

Councilor Duffy said he was supportive of the public-private partnership for parking but he was concerned with the scale and setting and the look of the project.

Mr. Craig informed the Council that the architect stated that the at-grade parking was critical for short term parking and for the success of the structure and that was one of the reasons the building was pushed out.

**Budget Item – Arts Commission.** Councilor Kelly asked of the Council would agree to give the Arts Commission \$5,000 to support their actions. Council was supportive.

**Adjournment.** There being no further business to come before the Council at this time. Mayor Greenlaw declared the work session officially adjourned at 6:44 p.m.

\_\_\_\_\_ **Tonya B**  
**Lacey**\_\_\_\_\_

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