

Town of Onancock
Town Council Meeting
March 26, 2018
7:00 PM

Call to Order and Roll Call:

Mayor Jones called the meeting to order at 7:00 PM and roll was called. Mayor Russell Jones and Councilmembers Catherine Krause, T. Lee Byrd, Ray Burger, Joshua Bundick and Fletcher Fosque were present. Councilmember Robert Bloxom was absent. A majority of members were present and a quorum was established.

The Pledge of Allegiance was recited.

Consideration and Approval of the Regular Town Council Minutes from the February 26, 2018 meeting:

Mayor Jones asked if there were any changes, corrections or additions to the February minutes as submitted.

With none, Councilmember Bundick made a motion to approve the minutes as submitted. Councilmember Byrd seconded the motion. The motion passed by unanimous voice vote.

Public Business:

- a. Public Hearing, FY2019 Proposed Budget – Mr. William Kerbin: Mayor Jones explained that the public hearings are specifically held to hear from the public and that Council looks forward to hearing from the public on these topics. Due to the number of people in attendance Council may need to invoke the 3-minute rule. Mayor Jones also requested that when a member of the public comes up to speak that they please state their name and residency. Mayor Jones explained that the Town Council is required by State law to pass a balanced budget annually. Mayor Jones shared that over the course of his tenure (6.5 years) he has seen the Town's cash reserves dwindle by about \$400,000 and the primary reason for this decrease is due to the water and sewer operations, specifically the debt service requirements for the wastewater treatment plant upgrade. Other proposed expenses in the coming fiscal year are fairly lean. Some of the expenditures are items that the Town is required to fund such as retirement and health insurance. Unfortunately, Council has zero control of what is paid out for those items annually. Mayor Jones shared that the Town's fiscal trend is increasing, at the close of fiscal year 2017 the Town had a surplus of about \$13,000. Mayor Jones commented that this is the first time he has seen a surplus. Mayor Jones also shared that the Town Council is very aware of taxes, fees and expenses while reviewing the proposed budget. Mayor Jones explained that these proposed water and sewer increases were discussed last year as part of a four-year plan to help get the water and sewer operations to fund their own expenses.

The Mayor opened the public hearing at 7:07 pm.

Councilmember Fosque commented that this is the first proposed budget that will not require a transfer from the general fund to the enterprise fund (water and sewer). Councilmember Fosque shared that the enterprise fund has been operating at loss since its completion. Mayor Jones explained to the audience that the Town operates two separate internal budgets; the enterprise fund which means that it is to be run like a business, and the general fund which

supports all government activities. For many years the general fund has under spent its allocations so that it can cover the enterprise funds short falls. The fiscal year 2019 proposed budget is assuming that the enterprise fund will not require a general fund transfer to operate.

Ms. Ruth Dize, Ames Street, shared that her father Mr. Leland Foston Chandler, has been a resident for the Town of Onancock since 1927 and Ms. Dize is a third-generation resident of the Town. Ms. Dize explained that with the proposed water and sewer increases her dad may not be able to afford to live in Town. Ms. Dize shared that she has researched some other localities with similar services and Onancock is the most expensive. Ms. Dize continued by sharing that her father only showers twice a week, does laundry once a week, and only runs the dishwasher once a week. His previous bill was \$140.00 and Ms. Dize's bill average \$204.00 with only 2.5 people residing there. Ms. Dize asked Council to reconsider an increase for the coming fiscal year. Councilmember Byrd explained to Ms. Dize that the highest cost on Town's utility bill is the sewer. Ms. Dize complained that when she called the Town Office the secretary said that the minimum bill was \$123.00 although she was not sure. I have seen some of my neighbors' bills and they are paying less than the minimum. Ms. Dize stated that Riverside Side Memorial should be paying the lion's share of the water costs since they use the most. Councilmember Byrd explained that the Hospital pays the same rates as all the Town residents. The Hospital's sewer is going through the Accomack County first then to the Town. Accomack County does get the Town's lowest rate for their sewage treatment. Mr. John Somers told Council that it was a bad business decision to get into the water and sewer business. Councilmember Fosque shared that the Town started these services in 1959. Councilmember Fosque further explained that the Town was forced to upgrade the sewage plant since the Town was exceeding its daily 250,000-gallon capacity due to weather issues and then the Town was fined by the Department of Environmental Quality exceeding its discharge levels. The Town had a choice to either upgrade to either 500,000 gallons or 750,000 gallons. The Town opted to do the 750,000 gallon capacity this decision was made during the development boom. The Town also had other localities interested in connecting to our system which has not happened. Councilmember Fosque shared that he agrees that it was a bad decision at this point in time but that in 15-years it could very well have been the best decision the Town ever made. Every customer the Town can hook-up will help all Town residents. It is expensive to run a plant. Ms. Dize reiterated that the Town made the wrong choice. Councilmember Fosque stated that the Town cannot go back in time and change the outcome, it is now water under the bridge. The only thing the Town can do is increase rates and taxes. The plant must be able to support itself financially. Councilmember Fosque explained that there are a few projects in the works that will add users to our system. Councilmember Fosque also shared that Council did not raise the rates for a few years which is why Council is having to do these larger increases now. Historically, the services have been given at a lower cost to the user since the government had been subsidizing those costs. Ms. Dize expressed her frustration that Council seems to be using the words "bad business decision" as a cop out. Ms. Dize suggested that the Town look into grants to help subsidize the expenses. Mr. Kerbin explained that there is no grant money for the operational costs. Ms. Dize shared that the Town should be focusing on the Town Wharf which could be a money maker with the right Harbormaster.

Ms. Toni Nelson, Ames Street, stated that she owns two residential properties and two commercial properties in Town. Ms. Nelson expressed her concern that the Town does not prorate water and sewer accounts when people are closing their accounts down. Ms. Nelson shared that she was also told that she had to pay the trash fee even though she is not using the

service. Ms. Nelson also expressed her consternation that she has to coordinate a time for the plant workers to come and read her meter at the Bank Building since the meter is located in the basement. She feels that she should be able to read the meter for the Town instead of having to coordinate time for the Town to read the meter for her. Ms. Nelson shared that she would like to see the empty buildings filled and thinks that the Main Street program is wonderful but she feels that the Town nickel and dimes her every time she turns around.

Mr. Anthony LoFaso, Kerr Street, asked Council for clarification. He read in the paper that water and sewer were both increasing 7% so that means it is really a total of a 14% increase. Councilmember Burger explained that water and sewer are two separate items on your utility bill so no it is not a 14% increase. Mr. LoFaso asked how long these increases are expected to last. Mr. Kerbin explained that the proposed increase was part of a four-year plan to make the plant solvent. Councilmember Byrd shared that there are some potential projects in the County and the Town of Onley which will increase the Town's sewer users. Accomack County encouraged the Town to build the larger plant so that they could hook onto the system since it was projected that the Central Accomack area would continue to grow. Mr. LoFaso asked if the Town got a commitment from the County in writing. Mayor Jones shared that these increases will continue to increase so that the Town can break even and, hopefully, begin to put money into a rainy-day fund. Mayor Jones stated that these increases are not an issue of making money but an issue not losing money. The general fund needs to pay for things such as paving roads but instead of the Town has been living off its saving account.

Mrs. Kimberly Ormsby, Liberty Street, shared that she understands why at the time building the 750,000-gallon capacity plant was a good idea, the mistake was that the Town never bothered to find out if there was any interest in buying the Town water. The Town residents are eating the costs so please understand her frustration. Mrs. Ormsby shared that in the past she felt like her tax money was used by the Town for her benefit like free trash pick-up and road repairs but she is not understanding the current incompetence. Mrs. Ormsby stated that she understands the 7% increase and she will pay it until they move out of Town which will hopefully be soon. Mrs. Ormsby also expressed her concern for Town Staff not being responsible enough to handle her money, there have already been three separate times that an employee has embezzled her money.

Mr. Christopher Doyle, White Street, thanked Mrs. Fiege for always being kind enough to contact him before his services were disconnected. Mr. Doyle stated that he feels that Council should not be putting all of the blame on past Town Councilmembers and Town Managers for the size of the plant. Mr. Doyle encouraged Council to listen to these citizens who have supported them in the past, they have a lot to offer to this conversation. As a community we need to grow and learn together.

Mr. TC Haines, Sturgis Street, asked if the Town could generate any revenue from those companies that pump out septic systems. Mr. Kerbin explained that the Town has a facility that is set-up specifically for that purpose.

Mayor Jones reminded the audience that the only thing that will fix this problem is more volume but unfortunately the Town has no control over out of town connections. They have to be approved by the County. The Central Accomack area has already lost hotels to Exmore due to the fact that the at the time our plant was not large enough to service them. The Town of

Cape Charles spent \$3 million more dollars than we did on their 500,000-gallon capacity wastewater plant upgrade. The Department of Environmental Equality also stated that the Town of Onancock would be the last discharge permit allowed on the Eastern Shore of Virginia. Mayor Jones shared that he did not know when the increases will end but the Hospital is open and they are soliciting new businesses for their complex. Also, the Town of Onley has approached the Town about extending our service lines out to them so that they could encourage new businesses into the area. Currently, there are four pipes under Route 13 that service businesses on the east side of the highway.

Councilmember Krause thanked everyone for their comments. Councilmember Krause shared that it is a big responsibility to be on Council and to make these decisions. The State of Virginia requires that the Town pass a balanced budget which is what they are trying to do. Councilmember Krause shared that the Town is trying to bring more money by investing in its assets such as the wharf. Also, there are certain standards that need to be maintained in the budget like funding for the Onancock Volunteer Fire Department and the Onancock Police Department. Councilmember Krause shared that she has heard some interesting concerns and that some of them seem unique to the individual. Councilmember Krause suggested that these complaints be addressed with Town Staff first then come to Town Council. Councilmember Krause also suggested that the Town put together a hardship fund to assist individuals with bills that are higher than normal due to plumbing issues. Councilmember Krause shared that she is unsure what proposed expenditures could be cut. Councilmember Krause stated that she is confident that the Town will make it through these issues.

Ms. Dize shared that she did ask the Town Manager for assistance with her father's sewage back-up costs and all she was told is that she needed to contact the plant in the first place. Mr. Haines owns the house across from my father and about a month prior the Town was out there clearing out the pipes on the Town side. Why did they not think to check my father's side at that time? Ms. Dize shared with Council that the Town Staff explained that she needed to contact the afterhours number but when she asked around no one else seemed to know that that is standard protocol when there are sewer backups. Ms. Dize shared that no one in the Town Office has offered to compensate her father for his sewer backups and cost of those repairs. Ms. Dize stated that no wonder the Ormsbys are leaving Town.

Councilmember Fosque stated that it sounds like the Council needs to review its current water and sewer policies. Councilmember Krause states that she feels like this is an opportunity to change some of our policies.

Mayor Jones closed the public hearing at 8:15 pm.

- b. Eastern Shore of Virginia Tourism Commission Annual Report – Ms. Kerry Allison: Ms. Kerry Allison, Eastern Shore Tourism Commission, present the 2016 economic impact of tourism on the Eastern Shore of Virginia. Some of the highlights were that the Eastern Shore of Virginia is the fastest growing region in Virginia. This tourism generated \$7.5 million in taxes that flowed into Towns and Counties (Meals Tax, Sales Tax and Transient Occupancy Tax). On average tourist spent \$749,797 a day on Virginia's Eastern Shore.

Councilmember Fosque asked what the Town can do to assist her in these efforts. Ms. Allison suggested that the Town test its digital footprint which is not great at the moment. Ms. Allison

encouraged the Town to continue working on increasing its digital presence. The Town should be promoting Onancock as the place to stay due to location, being the center of the Eastern Shore should be a big pull for transient guests.

Ms. Shirley Zamora, North Street, explained to Council that the Town should be promoting its kayak launch. Ms. Zamora asked Ms. Allison about the money that the State gave to the Tourism Commission. Ms. Allison shared that the ESVA Tourism Commission did receive money to update its website. Ms. Allison explained that the Governor of Virginia gave several million dollars to the Tourism Commissions. Ms. Zamora asked if any of it was coming to the Eastern Shore. Ms. Allison explained that each Commission will need to submit a grant proposal to receive those dollars.

- c. Discussion of Onancock's Capital Improvement Program – Mr. William Kerbin: Mr. Kerbin shared with Council his proposed capital improvement program. The outline is a projection of the Town's future needs for items such as a new chipper and belt press. Some of the projects listed such as the ramp and wharf parking lot improvements will be funded by grant money and the Town will only be required to pay for 25% of the project.
- d. Review of the Homestay Regulations – Mr. William Kerbin: Mr. Kerbin explained that Council enacted a policy regarding homestays in the beginning of last year. Mr. Kerbin has put the item back up for consideration due to a request from a Councilmember. Councilmember Krause stated that upon reading the language that was enacted; the regulation that was passed was not what was intended. Councilmember Krause expressed her concern that the regulation does not mandate that these homestays be owner occupied. Councilmember Krause explained that when she voted on this regulation she thought that the dwelling did not need to be primary residence but that it is at least lived in. Councilmember Krause stated that if individuals who purchase a home specifically to rent it out on a short-term basis in Town but resides in Florida; that is the concern. Councilmember Krause shared that she is concerned that by allowing this to happen that Council is not preserving the Town's neighborhoods.

Councilmember Fosque explained that the Planning Commission recommended to Council that these permits only be granted to those homestays that are owner occupied but Council was weary of that contingency so that language was removed from the proposed ordinance. Councilmember Fosque shared that he is uncertain how Council could restrict people buying property in Town as investment property. Councilmember Fosque stated that he needs some direction on how to draft new language that would only allow those that purchase a second home for the purposes of retirement to be granted a special use permit to operate a homestay but not allow individuals that purchase investment property to obtain a special use permit for that same purpose.

Councilmember Krause asked that language be drafted and presented to Council.

Councilmember Bundick asked Councilmember Krause, as a point of clarification, if her concern was that the Town was not being restrictive enough. Councilmember Krause confirmed that her concern is due to the lack of its current restrictiveness.

Councilmember Burger asked Councilmember Krause how long would an individual need to live here before they would be granted a special use permit for the purposes of operating a

homestay. Councilmember Krause explained that this is a gray area, sharing that she believes that the Town of Onancock needs tighter restrictions like those in surrounding areas. Councilmember Krause further clarified that she is talking about people who never live at the residence; stating that these less current restrictive rules will destroy our neighborhoods. Councilmember Burger is concerned that more restrictive regulations would disenfranchise those that grew up in the area but had to move away for their careers; they should be allowed to rent their homes on a short-term basis.

Councilmember Fosque asked that Council put their heads together to draft new language.

Councilmember Bundick asked if this use was not by right but by permit. Councilmember Krause said yes but if they meet the current requirements than she does not see a way that Council could deny the permit.

Mrs. Maphis Oswald, Sturgis Street, expressed her concern that Council is attempting to regulate private home owners on their property. Mrs. Oswald stated that the Town has already allowed it but that future request would be deny because of residency issues. Councilmember Bundick shared that the original language of owner occupied seemed overly restrictive and that is why he voted for the current language because it removed the owner-occupied stipulation. Councilmember Krause shared that Council really needs to think about its residents and neighborhoods. Councilmember Fosque stated that some areas such as Richmond, VA require that those permits be owner occupied. Councilmember Fosque shared that some areas have problems with builders buying up property to turn around and start renting them out on a short-term basis. Mrs. Oswald stated that there is a future in Airbnbs. Mrs. Margaret Boddie asked Council to consider just raising the standards of the Airbnbs but that denying future permits is counter-productive to the future of the Town's tourism trade. Councilmember Krause stated that she does not want to cut their rights but that it does need to be better regulated in the downtown area.

Councilmember Fosque stressed that several areas are experiencing problems with investors buying multiple properties and then turning around and renting them on a short-term basis. Mayor Jones shared that Council does have the ultimate control since the Town requires that all those intending to rent their homes on a short-term must obtain a special use permit first. Mayor Jones reminded Council once the permit is in place the Town can revoke it if there are continued problems.

Councilmember Bundick asked if Mr. Kerbin could generate a listing of the current homestays in Town and whether not they are owner-occupied.

Councilmember Burger encouraged Council to keep the current ordinance as it is.

- e. Motion to Update Onancock's Vehicle Decal Regulation – Mr. William Kerbin: This item was tabled for the April 2018 Town Council meeting.
- f. Discussion of the Onancock Christmas Parade – Mr. William Kerbin: Mr. Kerbin asked Council if everyone was still on board with having the annual Christmas Parade. Was Council happy with the date and time? Councilmember Fosque stated that he was unaware that there were any problems with the parade. Councilmember Krause stated that we have it and it is all good.

Councilmember Fosque stated that he would be happy to help with the parade. Councilmember Fosque suggested that the Town get a committee together to assist Town Staff with the parade.

- g. Discussion of Onancock's Rehabilitation Fund – Mr. William Kerbin: Mr. Kerbin shared that this item has been on the agenda previously. Mr. Kerbin stated that he would like to be able to use that money towards renovations at the Samuel Outlaw Building and other potentials projects in the north-east section of Town. Mr. Kerbin explained that he will verify that these projects would qualify for the rehabilitation funds.

Councilmember Fosque shared that he feels that the funds should be used for housing first then the Samuel Outlaw Blacksmith Museum. Councilmember Fosque shared that this money came from the Accomack-Northampton County Planning District Commission and that the funds were only to be used for rehabilitation.

Ms. Shirley Zamora, North Street, suggested that Mr. Kerbin review the Community Development Block Grants (CDBG), she believes that it started out as Federal funds which filtered through the State then on to the Town.

- h. Motion to Approve Funding for Financial Software Migration – Mrs. Lisa Fiege: Mrs. Fiege explained that the Town's current software vendor has become less responsive over the past two years. Most recently, the vendor that the current software vendor partnered with for the online bill payment option ceased to be compatible with each other and the Town was not notified of the coming problem and it took our current software vendor four-months to resolve the issue. The reason for the proposal this evening is to ask Council to allow the Town to use \$16,766.40 from the Council contingency fund for the first down payment on the new software.

Councilmember Bundick made a motion to allow the Town Staff to use Council Contingency funds for the purposes of purchasing new financial software. Councilmember Krause seconded the motion. The motion passed by unanimous voice vote.

Public Comment:

Ms. Thelma Gillespie, Watson Street, shared with Council that her neighborhood has been become run down with garbage and abandoned vehicles. Mrs. Gillespie explained that one resident in her neighborhood had a fire about five years ago. No one made an effort to board it up or repair it since. Mrs. Gillespie said that one of her neighbor's yard is almost completely covered with weeds. Mrs. Gillespie suggested the Town demolition these structures and then bill the current owner. Mrs. Gillespie shared that about twice a year her and her neighbors get together to go up and down the street picking up trash. Mrs. Gillespie shared that she feels that the Town should be doing something to correct these issues. Mayor Jones suggested that the rehabilitation money might cover blight removal. Mr. Kerbin shared that he has been doing research on these properties and reviewing when the Town can legally take possession of these properties. Mr. Kerbin shared that Mrs. Fiege has done the research on these properties and the Town does know their current tax status.

Mrs. Margaret Boddie, Sturgis Street, asked if these properties are not maintained does it not become a health and wellbeing issue for the surrounding neighbors. Mr. Kerbin stated that the Town does have a nuisance ordinance that may be able to address these issues.

Planning Commission Report:

Councilmember Fosque shared that they did not have a meeting in March or April.

Waterfront Committee Report:

Councilmember Byrd shared that the floating dock projected is now completed. The Town staff has been working on upgrading the electrical pedestals at the wharf. They will also be moving the pedestals to the dock. Several cruising clubs have already made tentative reservations for the coming boating season. Councilmember Byrd commended the Personnel Committee for narrowing down the Harbormaster candidates. Councilmember Byrd thanked the Town Staff for their hard work at the wharf this year. Councilmember Byrd also shared that an emergency grant has been secured to repair the bathhouse floors at the Harbormaster Shack this coming winter.

Personnel Committee Report:

Councilmember Krause shared that the committee has been interviewing Harbormaster candidates. There is a special session scheduled for this evening to discuss the candidates with the entire Council. The Town received about 65 applications and 12 have been interviewed.

Holiday Committee Report:

Councilmember Krause stated that there was no report at this time.

Mayor's Report:

Mayor Jones discussed the upcoming Town election. Every two years the Town holds an election for a portion of the Council seats. May 1st will be the date of this year's election and our local elections are still held here at the Onancock Town Council Chambers. There is currently one contestant for Mayor and there are three open seats for Town Council; Catherine Krause, Joshua Bundick and T. Lee Byrd. Mayor Jones shared that five candidates have signed up to run. The fourth highest vote getter will get the remaining term on T. Lee Byrd's seat. Mayor Jones stressed that every vote counts.

Town Manager's Report:

Mr. Kerbin updated Council on the following items:

- Work has been completed on the floating docks and is awaiting final inspection.
- An information session on the proposed Main Street program was held on Thursday, March 8 from 5:30 pm – 6:30 pm at the Market Street Methodist Church. Mr. Kyle Meyer from the Virginia Department of Housing and Community Development provided an overview of the program. There were approximately 90 people in attendance. Council Krause clarified that there were 120 people in attendance.
- A candidate's forum will be held in late April at the Old Onancock High School. More information regarding the forum will be forth coming. The election will be held on May 1, 2018.
- The Personnel Committee is narrowing down its list of finalists for the Harbormaster position.
- Mr. Kerbin met with representatives from Sites Unlimited who install towers for Verizon on March 16. They discussed two options for improving cellular and Wi-Fi services: installing an antenna on top of the water tower or constructing a brand-new tower next to the water tower.
- Staff assisted with the Annual St. Patrick's Day Parade which was held on Sunday, March 11.

- The Town has applied for a Virginia Port Authority Grant in mid-February. The Town has requested funding for the following projects: ramp repairs, parking area repairs, and upgrading the electrical pedestals.
- The Town has hired Yardley Townsend as its newest police officer. He started work on March 12. Mr. Townsend is replacing Mr. Dean Carroll who retired at the beginning of March. We would like to congratulate and welcome Mr. Townsend to the Town.
- The online payment option is operational again.
- The deadline to purchase auto decals is Monday, April 16.

Council Comments:

No comment.

Closed Session, if needed:

Councilmember Byrd made a motion that Town Council convene a Closed Meeting for the purposes of holding a discussion of the personnel, pursuant to Section 2.2-3711(A)(1) of the Code of Virginia of 1950, as amended. Councilmember Fosque seconded the motion. The motion passed by unanimous voice vote.

Closed session began at 9:24 PM.

Councilmember Byrd made a motion that Town Council reconvene in Open Meeting, and that a roll call vote be taken and recorded on this motion so that each member who votes in favor shall, thereby, certify compliance with all of the matters identified in Section 2.2-3712(D) of the Code of Virginia of 1950, as amended.

Closed session began at 9:24 pm.

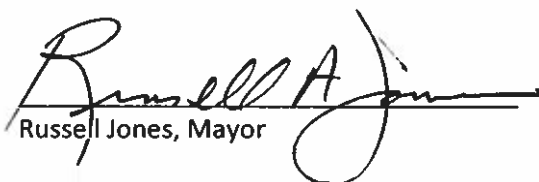
Robert Bloxom	<input checked="" type="radio"/> Absent	Ray Burger	<input checked="" type="radio"/> YES <input type="radio"/> NO
Catherine Krause	<input checked="" type="radio"/> YES <input type="radio"/> NO	Joshua Bundick	<input checked="" type="radio"/> YES <input type="radio"/> NO
T. Lee Byrd	<input checked="" type="radio"/> YES <input type="radio"/> NO	Fletcher Fosque	<input checked="" type="radio"/> YES <input type="radio"/> NO

Closed session at 9:43 pm.

Adjourn:

Councilmember Byrd made a motion to adjourn. Councilmember Fosque seconded the motion. The motion passed by unanimous voice vote.

The meeting adjourned at 9:43 pm.


 Russell Jones, Mayor


 Lisa Fege, Deputy Clerk