

**Town of Onancock**  
**Town Council Meeting**  
**Monday, September 9, 2024**  
**7:00 PM**

**1) Call to order and roll call:** Mayor Fosque called the meeting to order at 7:00 PM and roll was called. Councilmembers Ray Burger, Cindy Holdren, Joy Marino, Sarah Nock, Maphis Oswald, Paul Weitzel and Mayor Fosque were present. Town Manager Matt Spuck and Town Clerk Debbie Caton were also present. A quorum was established.

**2) Pledge of Allegiance**

**3) Public Hearings**

a. None scheduled.

**4) Public Presentation**

a. None scheduled.

**5) Council Action**

**Councilmember Marino moved to allow for public comments. Councilmember Oswald seconded the motion. The motion passed with a 6-0 vote. Mayor Fosque allowed for public comments from the audience on the proposed ordinance changes.**

- Mary Clements – Ms. Clements is the only candidate running for town council that owns a residence, a commercial building, and operates a successful business. She thinks the parking changes covers too wide of a zone. The zones should be split between business and residential because the need for each zone is different. She thinks 3-hour parking in the downtown business district is not long enough.

**a. The Town Council will consider adopting the following amended ordinances:**

- **ARTICLE II. STOPPING, STANDING AND PARKING** – Town Manager Spuck explained the ordinance change was to address two issues. The first issue is employees of other businesses are parking in front of other businesses and taking the spot away from customers. The parking spots should not be occupied all day. The second issue is residents of upstairs apartments should not occupy a parking spot in front of businesses for an extended period. Council discussion ensued.

Councilmember Nock moved to adopt Article II: Stopping, Standing and Parking with the revisions discussed to be effective February 1, 2025. Councilmember Holdren seconded the motion. The motion passed with a 6-0 vote.

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- b. ARTICLE XV. SPECIAL USE PERMITS (SUP)** – Town Manager Spuck gave updates on the changes from the last discussion. The ordinance now includes verbiage to allow for neighbors’ opinions when issuing a SUP. Also, a SUP ceases entirely when the property changes ownership whether by a formal sale or transfer of tax entities. After council discussion, the vote was tabled until all revisions are updated.

**6) Council discussion:**

- a. Farmer’s Market request for Town Staff to administer a grant.** Councilmember Weitzel moved to allow town staff to administer the grant. Councilmember Holdren seconded the motion. The motion passed with a 6-0 vote.
- b. School Projects and financing package. Mayor Fosque allowed for public comments.**
- Kent Sudman – Mr. Sudman was disappointed the agenda changed to allow for public comments as he did not have a prepared statement. He stated there is much erroneous information out there regarding Friends of Onancock School (FOS) and the town and what it would cost for different things and who is responsible. An ad was published in the local weekly newspaper. The ad included a written inspection from Bancroft Engineering requested by the Town Manager. Mr. Sudman asked, “why was this was done and who directed him to do it?” Mr. Sudman wants to know who is responsible for capital improvements to the school. Mr. Sudman has assisted FOS with furnace issues at the Historic Onancock School (HOS) for several years. He thinks it is the town’s responsibility to do capital improvements.
  - Kerry Baird/Joanie Donohoe – Ms. Donohoe read a letter from the board of directors of HOS previously emailed to the Town Council. – see attached
  - Laura McGowan– Ms. McGowan was dismayed to see the ad in the paper which was full of exaggerations and misinformation. She feels the FOS puts out accurate information. All improvements thus far helped the tenants, the school, and the community. She does not want to lose the school to a developer. She encouraged the town council to vote in favor of the loan package.
  - Cherie Tapman – Ms. Tapman attended the school. She loves the school and does not want to see it torn down or sold to a developer. It is an asset.
  - Karen & Mark Belknap – The Belknap’s share studio space at HOS. She thanked FOS for the upgrades and improvements completed over the last 17

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years. The school is well intentioned, and Mrs. Belknap will offer tours to anyone interested.

- Mary Clements – Ms. Clements is not contesting the work FOS has done for the school. She is not contesting the talent of the artist who have space at the school. She owns her building on Market Street, and she does make a profit. She agrees with Mr. Sudman’s earlier comments in that the town council needs to determine who pays for capital improvements. Bancroft Engineering is a reputable firm, and their estimate is more accurate than the estimates from local contractors. Ms. Clements would like to see the estimates from local contractors and the scope of work.
- Dr. Greg Felthousen - Dr. Felthousen would like to dispel some of the things being heard around the community regarding his letter to the editor. The issue started with the construction of the pavilion which was a complete surprise to him and other members of the community. At the February 2024 town council meeting, Joanie Donohoe thanked the council for paying for the evaluation from Bancroft Engineering. A copy of the evaluation was requested but not received until a formal FOIA request was submitted. The repairs at the school have been discussed for almost two years without any action from the town council. Dr. Felthousen said that he is not against the HOS. The letter to the editor was written to open the eyes to all residents as to the extent of the issues that exist at the school. The issues are not small. It is our responsibility to all the taxpayers in town to be aware of the liability that the school has brought to us. Dr. Felthousen does not think a 40-year loan is the best option, but spending reserve money would be a better option.
- Katie Schwab – Ms. Schwab is a “come here” and one of the reasons for her move was because of the reputation of HOS. She was told it was the center of the art community on the Eastern Shore. This is a tremendous asset for the town. The current issue is straightforward in that the town is being asked to support a loan to make a capital improvement to property owned by the town. Ms. Schwab is bothered by the ad that was placed in the local paper with no attribution and with inflammatory language and without checking the facts. She hopes the town council will make a good fiscal decision. She feels there is no issue of transparency because a member of town council has always had a seat on the board of FOS.
- Rick King – Mr. King is on the board of FOS and been actively involved in the HOS. His wife has a studio in the building. The school offers cultural events for all children on the Eastern Shore. The children benefit by having activities, shows, and theater groups. This is FOS’ mission.

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- Mark Sinclair – The initial ad published in the local paper from two years ago called “When Pigs Fly” has caused a two-year delay in pavilion construction and \$150,000 in increased cost. Many issues have been kicked down the road and this only cause the price of construction to increase. Mr. Sinclair feels FOS has put together a good package with price quotes from local contractors. Mr. Sinclair asked the town council to make a prompt decision about the loan package.

#### Council discussion:

- Councilmember Oswald stated this project started in 2007. At that time, the FOS presented the town council with a plan to keep the school open without any expense to the town. The lease agreement was written to reflect that sentiment. To now ask for a 40- year commitment from the town is unfair and unfounded.
- Councilmember Nock stated is it her hope the town can take responsibility for the property it owns in cooperation with the FOS to pursue the work to get the urgently needed HVAC system, the electrical upgrades, and the windows. This will allow the surroundings to be supported so the studios and shops can continue. We can have a center and not a hole on College Avenue.
- Councilmember Holdren stated she believes the town does have responsibility for property that we own. For the town, the loan package is a good deal as FOS is asking to split the loan payment. She supports the proposal from FOS. She thinks Bancroft Engineering is a much larger firm than what most people are used to dealing with on the Eastern Shore.
- Councilmember Marino questioned the decision by FOS to spend money on construction of the pavilion with much needed repairs being an issue at HOS. Councilmember Marino also stated she saw the Bancroft Engineering evaluation for the first time when it was printed in the Eastern Shore Post. Mayor Fosque stated he had previously seen the proposal. Town Manager Spuck explained the same architect firm that designed the police department and Welcome Center renovations, recommended Bancroft Engineering. Bancroft Engineering did a visual inspection free of charge. Councilmember Marino requested the prior three years income statements and income projections for the next five years from FOS to make an informed decision about the loan.
- Councilmember Burger stated town council should decide sooner rather than later because of the heating situation. A decision needs to be made soon to get the contractors scheduled prior to cold weather.

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- Councilmember Weitzel requested a quote to replace the roof. This will provide a complete picture of the investment required.  
  
This item was tabled until the next meeting.
  - c. **Oak tree fence options** – Town Manager Spuck presented fence options. The parking lot committee will work on the overall design.
- 7) **Committee reports**  
a. **None scheduled.**
- 8) **Closed session.**  
a. **None scheduled.**
- 9) **Adjourn** – Councilmember Nock moved to adjourn the meeting. Councilmember Oswald seconded the motion. The meeting adjourned at 8:41 PM.

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Fletcher Fosque, Mayor

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Debbie Caton, Town Clerk

September 09, 2024

To:

F. Fosque, Mayor  
R. Burger, Council Member  
C. Holdren, Council Member  
J. Marino, Council Member  
S. Nock, Council Member  
M. Oswald, Council Member  
P. Wetzel, Council Member  
M. Spuck, Town Manager

From:

Mary Clements  
(r) 8 Jones Street  
(w) 59 Market Street

Subj: September 09, 2024 Town Council Agenda

It seems that there may not be the opportunity for town residents and businesses to have public input into this meeting. Therefore, I have included my concerns in this email.

Article II - Stopping, Standing and Parking

This ordinance attempts to cover a wide range of zones within the town- business, residential, dock. Split the regulations into the already defined zones and survey the businesses/residents/boaters in that zone. One size does not fit all. The businesses on the north side of Market Street have never had the opportunity to address their needs.

26-38 - There are vehicles that are larger than the standard car- eg. Church and public buses.

26-44 a) i) The boundaries are too all-consuming. Again there are a variety of zones within this proposed definition with different needs. Survey those effected in all zones and use their input to craft a more inclusive document. Remove the last 3 parking designated spaces at the very west end of Market Street.

These have all been proposed before and apparently ignored. Where are the SIGNS for parking? When will the yellow curbs be repainted for easier identification?

Article XV - Special use

38-497 - Doesn't appear to be a complete sentence.

Winter Market -

No. The Town Manager has already been publicly admonished for attempting to take on extra activities not directly related to the town. If the TC accepts the submission and tracking of this activity, you will have to carefully consider the legal questions of favoritism if another 501c3 requests the same consideration.

Mayor Fosque was the Primary Agent for this organization's original federal tax 990 form submission. He is therefore associated with the market in the eyes of the Feds. He should recuse himself from any tie-breaking vote regarding market issues brought up for vote by TC.

Friends of Onancock School request

First, it MUST be understood that this property was purchased by and still receives tax funded support. The town tax payers have had little effective representation in the school property decisions.

The 2 page publishing of the Bancroft Construction information should shine a light on this proposed project and budget. Bancroft has far greater experience with large and various use buildings and is better qualified to make an assessment than even the most talented of local craft people. Bancroft estimated a far larger estimate, by a factor of 10!

It seems that there were only a limited number of contractors that offered estimates, with one category only showing 1 estimate.

It appears that there wasn't any representation for this project by a TC member. FOS already has, according to public records, a debt of over \$113,000. This project will add \$13,441 to that already climbing bottom line. "Potential" income to repay their 1/2 of the 40 year loan is very sparse- a raise in sub-tenant rent only nets \$7000 extra? The \$8000 in potential savings on oil use will be far offset by the 5% and 9% increase ANEC has already advertised. How much does FOS owe annually to the individual(s) for the Pavilion construction? Forty years (!) Exceeds the FOS current lease. Indeed, there is no guarantee that FOS will continue to be a viable entity for the life of the loan. The town taxpayers will, again, be stuck with a long term loan and no guarantee for repayment other than tax dollars.

This is a poorly developed plan to fix only a part of the school's deteriorating condition.

TC must accept the fact that the property is a town asset and needs closer oversight of the property and building.

There are myriad other red flags inside the stated agenda items- they require deeper consideration than a 3 1/2 hour council meeting.

Thank you.

## **A Letter from the Board of Directors of Friends of Onancock School**

We were unspeakably sad to read the attack against us in two full-page ads and a guest column in Friday's E.S. Post under the guise of transparency and accountability. We are working quite diligently to create intelligent solutions that will help our whole community at reasonable cost. We agree that clear and open communications are vital, that honest and responsible government are imperative, and that taxpayer and donor dollars should be spent wisely. The actual proposal we made for the Town of Onancock is reasonable and affordable, as we can demonstrate.

The information advertised in the newspaper was melodramatically presented and unfortunately misinformed. Half of the ad reprinted a letter detailing a visual assessment of the school by one company. It surmised that \$5.38 million would be needed to make significant improvements and repairs to the property, some necessary and others not. It wasn't a fully developed quote, competitively shopped or appropriately priced.

For the work we actually *need* to do in the next few months, we requested real quotes from reputable local companies without conflicts of interest. The aggregate quote was \$532,000 to install new HVAC to replace a failing boiler and add A/C, replace windows for efficiency and upgrade electrical to accommodate the new HVAC. The published assessment that itemized these items as critical appeared to price the work at well over \$3 million, more than 600% over the true cost. The ad preposterously concluded: "The Question Is - Are we insane! Or is it just Malfeasance?" No, HOS and the Town are acting appropriately.

Another misdirection in that ad was: "Even though FOS has stated they would repay ½ the loan to the town – they already owe \$133,000\* for other loans." The \* referenced IRS form 990, 10/2023. The facts? FOS took out a Small Business Administration/EIDL loan for \$ 63,500 in 2020 at 2.75% interest. Due to the super-low interest rate and the much higher market interest rate on our reserves, we chose to be financially prudent and pay the loan as agreed without prepaying additional principal. As of 9/7/2024, the balance of that loan, which is in good standing, is just \$59,047, versus current liquid assets and reserves of over \$140,000, which ensures stability in unforeseen crises, such as COVID.

HOS has made a proposal to the Town of Onancock to help us with this project in a wise and cost-effective manner. The details of the proposal are public and should have been referenced in any fair-balanced reporting or advertising.

In 2007, HOS and the Town agreed that HOS could lease the property from the town for 40 years for \$1/yr. Now in its 17<sup>th</sup> year, the lease did not create a legal 'partnership' between the organizations. However, as most citizens understand, informal 'partnering' with other organizations, including governments, offers a variety of benefits and efficiencies that help everyone. For example, governments and non-profits are eligible (and ineligible) for different types of grants, loans and so forth, which means an informal 'partnership' is usually extremely practical, increasing non-taxpayer revenues and lowering costs. This is the simple use of "partner" that we intend.

In the lease, HOS is responsible for "maintenance" of the building while capital improvements would fall to the owner, the Town. To make the school the best place



possible for *everyone*, HOS has invested over \$650,000 and untold volunteer hours in maintenance *and* improvements over the past 17 years. While we don't own the building, we maintain and care for it. Over the years, all improvement benchmarks in the lease have been accomplished and exceeded, but there is more to be done.

**We are willing and able to not only continue the maintenance of the property, but also to pay for half of the currently proposed capital improvements. Anyone who argues that HOS cannot afford to do so does not have up-to-date data or could be interpreting it incorrectly.**

The Town of Onancock is able, via the Department of Agriculture (USDA), to access a low-cost 40-year loan that is easily affordable to both organizations. The current interest rate is 4%. A \$532,000 loan over 40 years at 4% would amortize at \$26,882 annually. HOS proposes to pay half, in addition to all our other expenses, saving the town \$13,441 in capital expenditures. How many governments would not be willing to invest \$13,441 per year into a property that offers such a laundry list of positive attributes as HOS? This is NOT government waste. The annual amount of \$13,441 is less than \$12 per town citizen, per year. HOS can afford to pay ½ of the annual loan payments from the energy savings and increased rents alone. In addition, HOS brings in many visitors to Onancock who spend money in the town's shops, restaurants and bed and breakfasts. They pay non-resident sales and transient occupancy taxes, which **decrease** taxes for residents.

To elaborate on the project to be funded:

The most critical issue, which must be addressed immediately, is to replace our 102-year-old boiler system. An inspection several years ago indicated that the boiler was nearing the end of its useful life, so we have been as prudent as possible with services and repairs. Earlier this year a routine check brought into question the boiler's ability to make it through the winter. We worked to develop a reasonable resolution, which resulted in our loan proposal to the town.

An energy audit and advice from multiple other sources indicates that installing mini-split technology for our HVAC needs will be cleaner, more efficient and less expensive to run. It would provide an enormous additional benefit: air conditioning for the whole building. This obviously provides comfort for businesses and the public but also helps preserve the building, reduce maintenance costs and, financially, allows for increased rents to help pay the loan.

Also included is replacing the existing uninsulated single pane windows with energy efficient windows to allow for smaller units and to reduce long-term energy costs.

If the Town didn't apply for a USDA loan on our behalf, who would care for and maintain the school? Who would perform the safety checks or cleanup and repair the playground equipment, chalkboards and Little Free Library? Who would maintain the grounds, soccer fields, disc golf course, nature trail, trees, shrubs and lawns?

*What else would go away?* Our spacious and affordable Gallery & Events room would not be available to the community. It is used by many diverse groups and organizations for numerous classes, art shows, fundraisers, meetings and celebrations. We house numerous businesses who pay a fair market rent (according to an analysis by a local realtor), including many artist studios, classrooms, rec rooms, gift shops, a gym, a museum, seamstress, and a massage therapist. HOS even hosts your CommUnity Band. Our soon to be finished Performance Pavilion, which we realize some people oppose, will host additional, worthwhile community events such as concerts and plays.

If we do not continue to care for the school and maintain it for all the activities listed above, who will? Will the Town hire people to do this? Will they sell it to developers? What would the cost of those options be to the town citizens?

We ask for the full support of the Onancock Town Council to work together with the Friends of Onancock School in a prudent manner so that we may provide a great facility to enrich the residents of Onancock and the entire Eastern Shore community.

September 9, 2024

We have discovered a statement in our letter from the Board this morning that is inaccurate and should not have been included in the document.

This was a team project and I failed to delete this from the final draft.

The town is not responsible for Capital Improvements as was cited. The actual wording of Section 5 of our lease states the following:

*"5. Maintenance. FOS will care for and maintain the School in a condition as good as that existing on the date of this Lease. FOS will cut the grass and otherwise care for the Premises. After the rehabilitation of the School and any other buildings has been completed, and after any new Improvements have been made to the Premises, FOS will maintain the Premises in good order and repair."*

Please accept our apologies and consider our request of the town to work with Friends of Onancock School with a loan application for Historic Onancock School.