Virginia: **At the continued meeting of the Council of the Town of Chilhowie held at the Municipal Building, April 21, 2022 at 6:00 p.m.**

Present: **Honorable Gary L. Heninger, Mayor presiding; Councilors Billy L. Clear, Lewis W. Shortt, Jr., Julie Sturgill and P.J. Wolfe.**

Absent: **Donna Blevins and F. Brent Foster**

Also Present: **Mr. John E.B. Clark, Jr., Town Manager; Mrs. Marlene Henderson, MMC, Clerk-Treasurer; Jay Keen, Director of Public Works; Andrew Moss, Police Chief; C. David Haynes, Fire/EMS Chief; and Jeff Smarr, Recreation/Special Events Coordinator.**

Fire/EMS Training Building:

During the regular Smyth County Board of Supervisors meeting the Board voted not the sign the agreement between the Town of Chilhowie and Smyth County for the Fire/EMS Training Building. The purposed agreement gave the Town of Chilhowie complete ownership of the facility and Smyth County funding half of all operation and maintenance costs. Smyth County Board of Supervisors have since revised the agreement to state the ownership of the facility to be jointly owned, 50/50. The Town will remain the owner of the property where the facility is located.

Motion by Lewis Shortt, second by Julie Sturgill Council approves the revised agreement with Smyth County for the Fire/EMS Training Building and authorizes the Town Manager to execute the agreement. The motion was approved with following recorded vote:

Donna Blevins	Absent	Bill Clear	Aye
Brent Foster	Absent	Lewis Shortt	Aye
Julie Sturgill	Aye	P.J. Wolfe	Aye

Budget Workshop:

The 2022-2023 proposed budget draft shows revenues and expenditures in the amount of $5,502,135.

Councilman Brent Foster entered the meeting at 6:14 p.m.

Council reviewed the line items for revenues and expenditures. Concerning revenues, the 2022-2023 budget proposes an increase in water rates with in inside corporate limits water increase of five percent, and outside of corporate limits two and a half percent increase. The budget also proposes a sewer rate increase inside corporate limits of six percent and no increase for outside of corporate limits. The 2022-2023 budget also proposes an increase in real estate tax from $0.17 cents to $0.19 cents and personal property tax from $0.30 cents to $0.35 cents. This would be the first increases for taxes in at least twenty years.

Cigarette tax is expected to increase to $130,000 due to the Mount Rogers Cigarette Tax Board. Lodging tax is expected to increase to $15,000 due to the remodeled Motel 6. Meals Tax is expected to increase to $715,000 but fines are expected to decrease to $70,000 due to a possible reduction of hours worked relating to the I-81 Highway Safety Initiative program. Concerning Garbage fees, a slight increase to $147,000 is expected due to an accurate audit of garbage cans. Residential water and sewer new connections are proposed to increase to $1,200, even with the increase this amount barely covers the cost of materials to make a new tap. The Fire and EMS Department is projecting $250,000 for support from the Smyth County Board of Supervisors. The Fire and EMS Department is also projecting a revenue for services provided, collected by Ambulance Billing Service with Mars, for a total of $355,000.

Council reviewed the line items for expenditures; the 2022-2023 Budget proposes a 2.5% cost of living adjustment (COLA) and a 2.5% merit system. The health insurance company Anthem has also notified the Town that the health insurance will be increasing eight percent. Expenditures for Wellness and Parks is projected to increase in events to $15,000 due to more active events in the park such as “on Stage” musical performances. The cost of utilities is also increased to $40,000 due to inflation. An expenditure if $15,000 is listed under Capital Outlay for a Downtown Directional sign and a period fence round the H.L. Bonham House.

Garbage expenditures are slated to be $121,000 for a decrease of the previous budget year by roughly $25,000 with an anticipation of five percent increase from the new carrier Green for Life (GFL). The Lease Agreement with Enterprise for two existing police vehicles in the amount $18,756 is also reflected in the proposed budget. For water expenditures the operational and maintenance debt for the Mill Creek Regional Water Treatment Plant is slated to be $220,000 but can fluctuate throughout the fiscal year. Also, the annual dump truck payment that is split between water and sewer is in the amount of $33,224; both water and sewer line items budgeted $16,612.

An addition $30,000 has been allocated for a new training position at the sewer plant. The sewer department is in need of a new hire to begin the training process to become a licensed Waste Water Operator. Half of the Sewer System Evaluation Study is estimated to cost $81,000 for the infiltration and inflow design project. The other half of the project will be paid for by the Department of Environmental Quality. Sludge handling expenses are expected to be $7,100 for liability insurance. The 2022-2023 Budget also proposes an expenditure of $30,000 for a new pickup truck. The sewer debt service is set to decrease to $245,876 due to the refinancing package through Davenport, Inc.

The Fire and EMS expenditures includes a Vehicle Set Aside at $42,000 to assists with the first payment on the $2.1 million loan on the two new fire vehicles. Over the next nine-teen years the payment is expected to be $139,780 annually. The proposed budget also includes $10,425 for the Smyth County Fire/EMS Academy. Capital Outlay for firefighting is listed at $220,500 for the purchase of loose equipment for the two new fire trucks. The revenue from the sale of equipment

is expected to derive and support the expense. This is the final year for the gas meters and boat loan, slated at $10,834.

After much discussion of the proposed 2022-2023 Budget, Mr. Foster requested to cut the Tourism expenditure to $4,000, and fund the Christmas Tree Lighting Committee the difference of $3,569.

Motion by Brent Foster, second by P.J. Wolfe Council cuts the Tourism expenditure to $4,000 and funds the Christmas Tree Lighting Committee the variance of $3,569. The motion was approved with following recorded vote:

Donna Blevins	Absent	Bill Clear	Aye
Brent Foster	Aye	Lewis Shortt	Aye
Julie Sturgill	Aye	P.J. Wolfe	Aye

Motion by Julie Sturgill, second by Brent Foster Council authorizes the advertisement for a Public Hearing of the proposed 2022-2023 Budget to be held during the regular scheduled May 12, 2022 Council meeting. The motion was approved with following recorded vote:

Donna Blevins	Absent	Bill Clear	Aye
Brent Foster	Aye	Lewis Shortt	Aye
Julie Sturgill	Aye	P.J. Wolfe	Aye

Motion by Brent Foster, second by Julie Sturgill Council adjourns this meeting at 8:15 p.m. The motion was approved with following recorded vote:

Donna Blevins	Absent	Bill Clear	Aye
Brent Foster	Aye	Lewis Shortt	Aye
Julie Sturgill	Aye	P.J. Wolfe	Aye

_____Mayor
Gary L. Heninger

_____Clerk
Marlene L. Henderson, MMC