Virginia: **At the continued meeting of the Council of the Town of Chilhowie held at the Municipal Building, April 25, 2023, at 5:30 p.m.**

Present: **Honorable Gary L. Heninger, Mayor presiding; Councilors Bill Clear, Shannon Donnelly, Brent Foster, Julie Sturgill and P.J. Wolfe.**

Absent: **Bob Jeter.**

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

Overview of Proposed 2023-2024 Budget:

The proposed 2023-2024 Budget is balanced with expected revenues in the amount of $5,853,009 and expected expenditures in the amount of $5,853,009. General fund revenues are expected to be $2,107,166 and expenditures are expected to be $1,961,858 leaving a surplus of $145,308. Water fund revenues are expected to be $1,847,147 and expenditures are expected to be $1,682,941 leaving a surplus of $164,206. Sewer fund revenues are expected to be $929,316 and expenditures are expected to be $918,584 leaving a surplus of $10,732. The Fire and EMS fund revenues are expected to be $969,380 and expenditures are expected to be $1,289,626 leaving a deficit of $320,246 due to payments beginning for the two new Fire Apparatus.

Mr. Bob Jeter entered the meeting at 5:34 p.m.

The proposal includes increases on water and sewer rates. Inside corporate limits water rate increase of 9.5%, and 4.5% rate increase for outside the corporate limits. Inside corporate limits sewer rate increase of 9.5% and 4.5% outside of corporate limits. This increase is slated to bring in approximately $93,000 in additional revenue. Residential water and sewer connection fees are to remain the same at $1,200 per connection. The water and sewer increases are needed to support the departments operations. Garbage rates are also slated to increase $1.00 per month due to Green for Life (GFL) pricing due to Smyth County Landfill raising their charges from $56 per ton to $80, due to the closing of Bristol Landfill. Cans will increase by $1.00 across the board. Inside corporate limits cans will increase to $15.50, and outside the corporate limits cans will increase to $17.50, with an extra can expense increasing to $9.50.

Concerning taxes real estate is to remain $0.19 per $100 of valuation, and personal property is to remain at $0.35 per $100 of valuation. Cigarette tax is slated to increase from $130,000 to $215,000, with a rate of $0.40 per pack. The Mount Rogers Cigarette Tax Board's records show the Town of Chilhowie has the highest volume seller in the consortium. Lodging tax is slated to increase from $15,000 to $15,500 due to the renovation of Motel Six. Based on an eight-month

history meals tax is estimated to increase from $715,000 to $775,000. Meals tax is projected to be the Town's second highest revenue source surpassing sewer revenue. The tax remains at 6.5%.

Fine revenues are projected to have a small decrease to $65,000. All fines are in this line item including the I-81 Highway Safety Initiative program. Part of the decrease is due to the reduction of hours and new procedures relating to the I-81 Highway Safety Initiative program. E-Summons revenues are predicted to increase by $100 to $4,100. All E-Summons revenues are used for police expenditures. A small increase to $83,500 is projected for sales tax. This is even the case with sales tax on groceries reduced from 1.5% to 1.0%. State support for local police departments, 599 Funds, is slated to remain the same at $47,000. Building Inspection Fees are budgeted for $3,500. The Virginia Department of Transportation snow removal is showing $15,000 in revenue for the second year in the revenue stream. The Virginia Department of Transportation reimburses the Town $120 per hour per vehicle for snow removal on most of the streets in Town.

Fire Hydrant fees are $1.00 per water customer per month and is estimated to bring $26,520 in revenue. This money will be used to purchase ten hydrants for various locations. Washington County Service Authority reimburses the Town for 55% on the $1,852,000 Rural Development Loan on the Mill Creek Regional Water Treatment Plant. The reimbursement is estimated to be $40,828. Sewer revenue is estimated to be $728,116 in rents, this includes the 9.5% increase inside corporate limits and 4.5% increase outside of corporate limits effective July 1, 2023. The anticipated $47,000 increase is slated to support the department's operations.

Concerning the water and sewer rate increases, utilizing the 2022 Draper Aden Southwest Virginia Water and Wastewater Report the Town's residential rates to its water and sewer peer group at 3,000 and 5,000 gallons, inside Town water rates are 20.2% below the Southwest peer group of users and outside Town water rates are 4.7% above and .003% below, or just about at average to the Southwest Virginia peer groups.

Fire and Emergency Medical Services are projecting $969,380 in revenue and it is projected to receive $300,000 from Smyth County Board of Supervisors. Smyth County will submit $8,525 for operational and maintenance for the training building. Smyth County will also submit $13,190 for books, supplies and such for the Academy. Smyth County is reimbursing $4,865 for the stipend professional dues and insurance split with the Town of Marion for the Operations Medical Director. The sale of equipment is projected to generate $250,000 for the sale of the older tanker and ladder truck upon the arrival of the new apparatuses. The Ambulance Billing Service with Mars/AMB is slated to generate $360,000 in revenues.

The proposed budget includes 5% Cost of Living Increase for employees making less than $20 per hour, and a 2.5% Cost of Living Increase making more than $20 per hour. The opportunity for each employee's 2.5% increase for a merit evaluation remains. Mayor and Council Compensation increases to $16,800. This includes $350 per month for Mayor and $150 per month for Council members. Planning Commission stipend increases from $25 per month to $40. Health Insurance

will increase 9%. Maintenance for the Town's redesigned website is included in the proposed Budget at $205 per month.

Mount Rogers Planning District Commission assisted with the rewrite of the Comprehensive Plan in 2018. The proposed Budget includes $17,500 for Mount Rogers Planning District Commission to assist with the Comprehensive Plan rewrite due in 2023. Concerning the E-911, $3,000 is included in the proposed Budget to pay Smyth County for the operation of the dispatch center. Overall Community Development requests increase to $68,500. Smyth County Tourism requested $10,000 and Friends of Southwest Virginia requested $1,500.

Motion by Julie Sturgill, second by Brent Foster Council reduces the budgeted amount for Smyth County Tourism to $7,600 and reduces the budgeted amount for Friends of Southwest Virginia to $1,000. The motion was approved with following recorded vote:

Bill Clear	Aye	Shannon Donnelly	Aye
Brent Foster	Aye	Bob Jeter	Aye
Julie Sturgill	Aye	P.J. Wolfe	Aye

The Town Manager's leased vehicle through Enterprise is slated at $5,964, this will be the third year of a five-year lease. Also, $5,000 is included for new computers in the Utility and Finance Department. Wellness and Parks Expenditures includes $4,000 for the Director Stipend for Football, Cheerleading, Boys and Girls Basketball. Recreation Events also has $20,000 allocated for more activity in events in the park such as musical performances. The proposed Budget also includes $7,500 for Wellness and Parks Expenditures for lunch stations and outdoor fitness equipment in the Recreation Park.

Building, Grounds and Streets expenditures includes $12,000 for two part time employees to assist with mowing this summer since the inmate program has been eliminated. Also, $2,000 is included in the proposed budget for snow removal expenses. American Electric Power for streetlights and Christmas lights increased to $46,000. Electricity for the Food Pantry is estimated at $4,200. The Capital Outlay budget is $79,344. This includes $60,500 for paving Aker Avenue from East Lee Highway to Old Stage Road, a Downtown Directional sign at $5,000 and $13,844 for the final five months of the Dump Truck payment. Garbage expenditures include $149,675 which includes an 8% increase from carrier Green for Life. Also, $2,000 has been included for the Haz Mat Collection Day.

Mrs. Julie Sturgill exited the Continued Council meeting at 7:45 p.m.

Police Officers are slated to receive the same 2.5% yearly merit, plus 2.5% cost of living increase for those making over $20 per hour and 5% for those making less than $20 per hour. Additionally, a 2.5% retention is included in the budget for the entire Department, for Officer retention. Overtime for Police Officers is slated at $120,000, that includes the I-81 Highway Safety Initiative. Training has remained the same in the amount of $16,000. The lease payments to Enterprise for two existing police cars for the fourth of five years is $18,756. Police Capital $30,305 is allocated

and includes $17,000 for year one of four for a new police vehicle and $13,305 for equipping a police vehicle.

In Project Expenditures $32,380 is allocated for the payments to the Bank of Marion for the demolition of the Old Superior Mills Building. This is year six of seven for the loan. In water expenditures $140,000 is budgeted for the operational and maintenance debt for the Mill Creek Regional Water Treatment Plant with Washington County Service Authority. The Virginia Department of Health System Fee, is a levy charged to the Town for compliance based on the number of connections is slated for $9,000. Also, $83,500 is budgeted under Capital Outlay for the following: a spare pump at Reid's Pump Station in the amount of $11,500, SCADAS in the amount of $30,000, pilot valve in the amount of $10,000, tank inspection in the amount of $20,000 and a spare VFD Widener at the cost of $12,000.

Mill Creek Set Aside is budgeted for $100,000. The Town is to set this money aside in an agreement with Washington County Service Authority for the water treatment plant. For various loans for the water system, including the 40-year Mill Creek Regional Water Treatment Plant Rural Development loan, $358,831 is budgeted.

Sewer Expenditures includes $65,000 for Green Hill Sewer. The Town pays Smyth County after collecting from County sewer customers through the Town's utility billing. For Sludge Handling $12,000 is included in the Budget for liability insurance for transporting the sludge to the farms where it is applied. Also, $275,095 is included in the Budget for debts for loans.

Fire and Emergency Medical Services expenditures includes wages for part time employees in the amount of $124,431. It is proposed to place the permanent part time employees on the Town's Job and Classification Scale, and off the old Fire and EMS scale. For Smyth County Fire and EMS Academy $13,190 is budgeted for expenses to run the Academy. Capital for Firefighting also includes $251,500 for the purchase of loose equipment for the two new fire trucks and $1,500 for the Forestry Grant. Concerning the Debt Service line item, $139,780 is budgeted for the first full year on the 20-year loan on the two new fire trucks set for delivery this spring.

The Town does not provide uniforms in Public Works the Town gives the employees a budget of $200 for coveralls and boots at the end of each calendar year. This stipend remains unchanged. Finally, the Town employee Christmas bonus has been $350, it was recommended to increase the Christmas bonus by $50.

Motion by Brent Foster, second by P.J. Wolfe Council authorizes the advertisement of the proposed 2023-2024 Budget with rate increases as discussed. The motion was approved with following recorded vote:

Bill Clear	Aye	Shannon Donnelly	Aye
Brent Foster	Aye	Bob Jeter	Aye
Julie Sturgill	Absent	P.J. Wolfe	Aye

Motion by Bill Clear, second by Brent Foster Council adjourns this meeting at 7:58 p.m. The motion was approved with following recorded vote:

Bill Clear	Aye	Shannon Donnelly	Aye
Brent Foster	Aye	Bob Jeter	Aye
Julie Sturgill	Absent	P.J. Wolfe	Aye

_____Mayor
Gary L. Heninger

_____Clerk
Marlene L. Henderson, MMC