Mayor: Gary L. Heninger
Council: Billy L. Clear
Shannon Donnelly
J. Brent Foster
Bob Jeter
Julie Sturgill
P.J. Wolfe

TOWN OF CHILHOWIE
325 East Lee Highway
P.O. Box 5012
Chilhowie, Virginia 24319
Phone (276) 646-3232
Fax (276) 646-3012
www.chilhowie.org

Town Manager: John E. B. Clark, Jr.
Clerk/Treasurer: Felicia C. Eller
Police Chief: Andrew K. Moss
Director-Public Works: Jay Keen
Fire Chief: C. David Haynes
Building Official: C. David Haynes
Director-Recreation/Special Events: Jeff Smarr
Legal: Cassell & Crewe. P.C.

Town Manager's Report to Mayor and Council

October 12, 2023

September 14 Zoom call with Virginia Department of Health on Water Improvements Project

On September 14 Marlene Henderson and I had a Zoom call with Tamara Anderson of the Health Department and Dennis Amos with Hurt and Proffitt on Water Improvements Project. That project is earmarked to replace the water line from around the Middle and High School to Seven Mile Ford, and system wide replacement of approximately 2,500 water meters.

The project's total cost is estimated at around $6,220,000. As we have discussed and the August 14 letter attests from Ms. Kelly Ward of the Health Department, the Town has been awarded $3.5 million on the project. $2,345,000 is for Principal Forgiveness (grant) and the balance of $1,155,000 a 30 year loan at rate .5% below the 30 year market rate, but not lower than 1.5% (this refines terms from the Health Department's letter of April 6 which gives loan terms at both a 20 year rate and 30 year rate). These are very attractive terms that include a 67% grant on the project.

Council has not formally hired Hurt and Proffitt for this project. As you recall on August 22, Dennis Amoss of Hurt and Proffitt (H&P0 made a presentation on the project. He has also made other

presentations in the past. He also presented a contract. We formally procured Hurt and Proffitt for the Lead service Line Inventory Project and the Health Department stated that that procurement would also suffice for this water improvements project. But, I wanted to wait until the Zoom call to move forward.

Dennis will present a similar contract to Council on October 12 that was presented on August 21. But, in this contract it is stated that the Town will pay for the preliminary design up to $150,000 (of the approximately $248,500 fee). The rest will be paid when the project is closed hopefully in late 2024. This is a similar arrangement we had on the Sewer Infiltration and Inflow Project for preliminary design on that project (which we never had in writing but H&P honored that agreement. Dennis states that the design will take several months to complete and would therefore be ready when the project is closed.

As stated the Town has not formerly hired Hurt and Proffitt. Their contract will be presented to Council at its October meeting. Pending Attorney Paul Cassell's approval I recommend that it be adopted and they begin design on the water improvements project. They will also reapply next year for the remaining balance of approximately $2,720,000 in 2024 to complete the project. Hopefully that pot of money will have as attractive terms as the first allocation. All indications at this time is that it will.

<u>Interviews and Hires on Vacancies in Finance Department</u>

On September 21 we interviewed five candidates for the opening in the Finance Department following the retirements of Finance Clerk Ms. Kerri McClure and Clerk Treasurer Marlene Henderson. Both's last day was September 29. Clerk Treasurer Marlene Henderson, Deputy Clerk Treasurer Felicia Eller and I conducted the process.

The candidates had a wide range of experience in a variety of financial fields including government, medicine, banking, personnel, etc. We were pleased with the quality of the applicants and for their interest in working for the Town of Chilhowie. After careful deliberation we selected Ms. Heather Carter and Ms. Debra Snavley. Ms. Carter comes highly recommended and is a native of Chilhowie and a graduate of Chilhowie High School. She is nearing completion of her Associate Degree at Virginia Highlands Community College. Her husband is an Abingdon Police Officer. She experienced in both the medical field and in finance. She is slated to start on October 16 after giving her former employer, Johnston Memorial, a two week notice.

Ms. Snavley also comes highly recommended. Her current job was with Appalachian Casting Products where she was Assistant Human Resource Director and Office Clerk. She also worked for the Town of Abingdon for eight years as Utility Clerk. She is living in Abingdon. She graduated Patrick Henry High School and Virginia Highlands Community College. She is slated to begin work on October 11.

We are very confident that Ms. Snavely and Ms. Carter will be great additions to our team and will learn their jobs quickly.

Work at the Mill Creek Regional Water Treatment Plant (WTP) With Two Projects

Work is finishing and progressing at the WTP on two projects. One is for the Finished Water Pump Project and one with the Chlorine Contact Tanks Project.

Regarding the finished water pump project, the new pump has been installed and is in use now. It is capable of pumping as much water as the two old pumps combined. The two other existing pumps are available as backups in the unlikely event the new pump goes out. This pump system supplies water to the chlorine contact tanks with finished / processed water from the plant. As you can see by the attached invoice the total cost of the project is $222,500. By contract the Town's responsibility is 45% or $100,125. This money will be taken out of the Town's American Rescue Plan Act (ARPA) money.

Regarding the chlorine contact tanks one tank is now completed. The second old tank is slated to be demolished in October. The new one will then be constructed on the same site and finished early next year. Potable water ready for drinking from the plant, following its processes, is then pumped through the finished water pump and into those tanks for distribution into the system. As you may recall this project was bid out in early 2022 and Mid Atlantic Storage Systems of Richmond was awarded the low bid at $1,282,580. After using the remaining grant money from the funder Rural Development on the project, plus another grant source, the Town's remaining 45% share on this project will be approximately $271,439.55. This amount will also be funded through the Town's ARPA award.

Much of that money has already been spend. Approximately $688, 584.38 has been spent through three pay requests on the aforementioned $1,282,580 project cost.

Update on Transfer of Property to Berry Enterprises

As you recall from the July meeting, following due process including advertisement, the Council awarded Berry Home Center four parcels at the south end of Church Avenue adjoining or near the Norfolk Southern right of way and Berry Enterprises. Council accepted the purchase price for $50,000. The property is zoned Business Industrial, is located in the 100 year flood plain and consist of about and acre and a half.

He turned the deed preparation and transfer over to our Attorney Paul Cassell. He in turn turned it ove to his partner Trent Crewe who specialized in real estate transitions. From what I understand since the four parcels were turned over to the Town as part of a larger transfer containing many other lots (perhaps in the late '70's / early '80s during the flood relocation project), there is no survey for just those four lots. While our attorneys says we could probably do a deed without a surveyor, both they and the potential buyer would like to have one done. As a result, I have contacted Billy Robbins to do this work. Billy is well respected in the field having done much in the area for many years.

Emergency Medical Services (EMS) Agreement with Smyth County

You have in your agenda the singed agreement between the Town of Marion and Chilhowie and providing additional funding for Chilhowie's and Marion's EMS Departments. The agreement basically states that the County will supply additional funding to cover the balance of the EMS costs after subtracting what our billing service reimburses us. This is a landmark agreement that has been in the making for at least five years.

Since our Fire and EMS is combined, we had to extrapolated costs that ended up being fairly simple. We took out all Fire costs including capital (i.e., the 143,000 yearly payment on the new trucks), supplies and operations. The rest of costs we multiplied by 84.6% which represented the percentage of EMS calls compared to total Fire and EMS calls over an 18 month period.

This will be the new funding model for the County supporting our EMS operations, which is ultimately the County's responsibility. The County had gotten up to about $250,000 in set payments to EMS last fiscal year, up from around $50,000 about six years ago. By my estimate the County payment this fiscal

year will be around $309,377 for EMS (assuming the ambulance billing is in the $360,000 range). These two numbers will be inversely proportional. When the EMS payment goes up the County reimbursement will go down. When the EMS reimbursement goes down the County reimbursement will go up.

The Town of Saltville chose to eliminate their EMS operations and let the County perform those duties. The Towns of Marion and Chilhowie chose to keep their operations and utilize the additional county

funding opportunity. On the Fire side, which is a Town function, the County will continue to supplement the Town's operations at $8.333.33 peer month or $100,000 per year.

Respectfully Submitted,

John E. B. Clark, Jr.

Town Manager