TOWN OF CHILHOWIE

Mayor: Gary L. Heninger

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

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Town Manager: John E. B. Clark, Jr.
Clerk/Treasurer: Felicia Eller
Police Chief: Andrew K. Moss
Director Public Works: Daniel W. Combs
Fire/EMS Chief: C. David Haynes
Building Official: C. David Haynes
Wastewater Operations: Luke A. Lowe
Water Operations: Don Cole, II
Legal: Cassell & Crewe, P.C.

Virginia: **At the continued meeting of the Council of the Town of Chilhowie held at the Municipal Building, April 24, 2024, at 6:00 p.m.**

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

Absent: **Councilors Bill Clear and Bob Jeter.**

Also Present: **Mr. John E.B. Clark, Jr., Town Manager; Mrs. Felicia Eller, CMC, Clerk-Treasurer; Messrs. Paul Cassell, Town Attorney; Andrew Moss, Police Chief; David Haynes, Fire/EMS Chief; Luke Lowe, Chief Wastewater Operator; Don Cole, Water Operations Director; Chris Johnson, Foreman Building, Grounds, and Streets, and Stephen Fields; Recreation/Special Events Coordinator.**

Approval of Infiltration and Inflow Project Bank Account:

- The Infiltration and Inflow Project is underway. The Bank of Marion is requiring Council meeting minutes authorizing the Clerk-Treasurer to open a bank account and designating signatories for the Infiltration and Inflow Project Bank Account.

Motion by Brent Foster, second by P.J. Wolfe Council authorizes Clerk-Treasurer, Felicia Eller, to open a new checking account for the Infiltration and Inflow Project and authorizes Mayor, Gary L. Heninger, Town Manager, John E.B. Clark, Jr., and Clerk Treasurer, Felicia Eller, to be signatories for the Infiltration and Inflow Project Bank Account. The motion was approved with following recorded vote:

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

Overview of Proposed 2024-2025 Budget:

The proposed 2024-2025 Budget is balanced with expected revenues in the amount of $6,251,849 and expected expenditures in the amount of $6,251,849. General Fund is showing a surplus of $216,943, Water Fund a deficit of $24,124, Sewer Fund a deficit of $27,065, and Fire and Emergency Medical Services a deficit of $165,754.

Mr. Clear entered the meeting at 6:17 p.m.

The Fire and Emergency Medical Services Revenue and Expenditures were discussed. Fire and Emergency Medical Services are projecting $916,990 in revenue. It is projected to receive $414,000 from the Smyth County Board of Supervisors. Smyth County is slated to reimburse $100,000 for the Fire Department and $314,000 for the Emergency Medical Services. Smyth County will submit $9,000 for the operation and maintenance on the Fire/EMS training building. Smyth County will also submit $13,190 for books, supplies, and such for the Academy. Sale of Equipment has been reduced to $0, due to no surplus equipment is slated for sale. The Ambulance Billing Service with Mars/AMB is slated to generate $450,000 in revenues.

Fire and Emergency Medical Services expenditures includes wages for part time employees in the amount of $91,900. For Smyth County Fire and Emergency Medical Service Academy $13,190 is budgeted for expenses to run the Academy. Capital for Firefighting includes $9,300 for the purchase of a hose storage rack and matching funds for the Department of Forestry grant. Concerning the Debt Service line item, $139,870 is budgeted for the second full year on the 20-year loan for the two new fire trucks.

The proposed budget includes increases on water and sewer rates. Inside corporate limits water rate increase of 9%, and 5% rate increase for outside the corporate limits. Inside corporate limits sewer rate increase of 9% and 5% outside of corporate limits. In the proposed budget includes $1,686,326 revenue for water rentals. Water Connection fees are slated to increase to $1,500 for ¾ inch connections and $1,800 for connections larger. The water and sewer increases are needed to support the departments operations. Green For Life stated there would not be an increase in garbage cans this year. Garbage cans within the corporate limits will remain at $15.50 and garbage cans outside the corporate limit will remain at $17.50.

The real estate tax rate is slated to be dropped from $.19 to $.17 per $100 of valuation. The decrease will result in an increase due to the property reassessment. Meals tax is proposed to increase from 6.5% to 7%. Meals tax is projected to be the Town's second highest revenue source surpassing sewer revenue. Cigarette tax is slated to decrease from $215,000 to $193,000. Lodging tax is slated to increase to $18,500 due to recent renovations of Motel Six.

Fine revenues are slated to increase to $85,000 based on the current fiscal year's data. Police Officers are allowed to work up to 40 hours per month, on Interstate 81 outside their regular shift time. The Police DMV Grant is slated to increase to $35,000 due to higher overtime hourly rates

beginning July 2024. The 599 Funds are slated to remain at $47,000. Sales taxes are slated to increase to $87,400. GovDeals sold has decreased from $30,000 to $10,000 due to most of the surplus equipment being sold during fiscal year 2023-2024.

The Revenue Anticipation Note was borrowed from First Citizen Bank of South Carolina in the amount of $1,000,000. The $1,000,000 that was borrowed from First Citizen Bank, $437,500 from CDs, and $75,000 from Rural Development Reserve Fund was invested into the Virginia Local Government Investment Pool. It is estimated that the total interest received will be utilized at $43,290.

The Virginia Department of Transportation snow removal is expected to be $20,000 in revenue which is an increase from last year. The Virginia Department of Transportation reimburses the Town $120 per hour per vehicle for snow removal. The Town has two snow removal vehicles.

Fire Hydrant fees are $1.00 per water customer per month and is estimated at $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 $848,878 in rents, this includes the 9% increase inside corporate limits and 5% increase outside of corporate limits effective July 1, 2024. The anticipated increase is slated to support the department's operations, the revised increased sewer long terms debt, and the five-year amortization of the $276,869 of the new sewer Vactor Truck. Smyth County Operations and Maintenance Reimbursement is slated to increase to $230,000 from $200,000.

Mr. Bob Jeter entered the meeting at 7:10 p.m.

The proposed budget includes 2.5% Cost of Living Increase for employees. The opportunity for each employee's 2.5% merit increase evaluation remains. Mayor and Council Compensation increases to $19,200; this includes $400 per month for Mayor and $200 per month for Council members. Planning Commission stipend remains at $40. Also, $2,000 is slated for Municipal Elections that will be held in November. Health Insurance premium rate will increase 1.6%. The expense for the Audit and other accounting services is estimated at $38,000. Maintenance for the Town's redesigned website is included in the proposed Budget at $205 per month.

The Planning Commission has been meeting monthly with Mount Rogers Planning District Commission who is assisting with the Comprehensive Plan rewrite. The proposed budget includes $7,500 for the last payment that will be made once the Comprehensive Plan is completed and adopted. Concerning the E-911, $3,000 is included in the proposed Budget to give Smyth County for the operation of the dispatch center. Overall Community Development requests increased to $78,980. This year twelve organizations submitted requests; six organizations requested the same as last year, four organizations are requesting additional money, and two are new organizations who made requests.

The Town Manager's leased vehicle through Enterprise is slated at $5,964, this will be the fifth year of a five-year lease. Also, $5,000 is included for new computers in the Utility and Finance Department. Wellness and Park is slated to increase wages to $45,500 with a proposal to make the Recreation/Special Events Coordinator a full-time position. Wellness and Parks Expenditures also includes $5,000 for the Director Stipend for Football, Cheerleading, Boys and Girls Basketball. Also, there is $5,000 slated for undesignated Capital Outlay.

Building, Grounds and Streets expenditures includes $10,000 for one part time employees to assist with mowing this summer. Also, $1,500 is included in the proposed budget for snow removal expenses. American Electric Power for streetlights and Christmas lights increased to $50,000. Electricity for the Food Pantry is estimated at $4,400. The Capital Outlay budget is $116,500, which includes $60,000 for paving of Aker Avenue from East Lee Highway to Old Stage Road, $40,500 for paving the Dog Park parking area, and $16,000 for a side-by-side vehicle for Public Works. Garbage expenditures include $152,282 which includes an 5% increase from carrier Green for Life. Also, $2,000 has been included for the Haz Mat Collection Day.

Police Officers are slated to receive the same 2.5% yearly merit, plus 2.5% cost of living increase. Overtime for Police Officers is slated at $141,749, that includes the I-81 Highway Safety Initiative. Training expense has decreased to $12,000 because the Southwest Virgnia Criminal Justice Training Academy is offering free classes. Also, $15,000 is slated for the Motorola In-Car and Body Camera system, year three of five. The lease payments to Enterprise for two existing police cars for the fifth of five years is $18,756. Police Capital in the amount of $41,500 includes $35,000 for year one of two for a new police vehicle and $6,500 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 seven of seven for the loan. In water expenditures $168,000 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, $138,800 is budgeted under Capital Outlay for the following: Water Treatment Plant finished pump in the amount of $102,000, a chlorine analyzer for $6,800, and $30,000 for year one of four for refurbishing the Widener feed tank.

Debt service for the water system, including the 40-year Mill Creek Regional Water Treatment Plant Rural Development loan is expected to be in the amount of $538,612.

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. Sludge Handling includes $7,500 for liability insurance for transporting the sludge to the farms where it is applied. Also, $381,744 is included in the Budget for debt service.

The Town does not provide uniforms for Public Works, but 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 will remain at $400.

Motion by Julie Sturgill, second by Brent Foster Council accepts the modified proposed budget with changes made for Community Requests; Smyth County Tourism $4,000, Chilhowie Garden Club $1,000, Friends of Southwest Virginia $1,000, and Imagination Library $1,000. The $8,900 variance will be put into a Contingency Fund in the General Fund. 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

Motion by Brent Foster, second by Julie Sturgill Council authorizes to hold a Public Hearing for Real Estate Tax Decrease on Thursday, May 23, 2024 at 7:00 p.m. 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

Motion by Brent Foster, second by Bill Clear Council authorizes to hold a Public Hearing for the 2024-2025 Budget on Thursday, June 13, 2024 at 7:00 p.m. 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

Motion by P.J. Wolfe, second by Shannon Donnelly Council adjourns this meeting at 9:36 p.m. 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

_____Mayor
Gary L. Heninger

_____Clerk
Felicia Eller, CMC