Virginia: **At the continued meeting of the Council of the Town of Chilhowie held at the Municipal Building, April 24, 2025, at 6:00 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. Brian Martin, Town Manager; Mrs. Felicia Eller, CMC, Clerk-Treasurer; Andrew Moss, Police Chief; David Haynes, Fire/EMS Chief; Chris Johnson, Foreman Building, Grounds, and Streets; Danny Combs; Public Works Director, Don Cole, Water Operator; Tristian Preece, Wastewater Class II, and Tyler Keen, Assistant Public Works Director.**

Approval of an Unbudgeted Expense:

The Town is working diligently with all departments to better understand water accountability issues. The Fire Department is working closely with the Public Works Department concerning metering and reporting water that flows through the fire trucks during training exercises. The six-inch water line at the Fire and EMS Training Center used to connect to the trucks is not metered. The Fire and EMS Training Center hosts numerous localities that use water, but it is not accounted for. Mr. Keen located a 6-inch Master Meter in the amount of $6,574.59. Mr. Martin respectfully requested Council to ratify the purchase of the 6-inch Master Meter. The meter includes a twenty-year warranty.

Motion by Brent Foster, second by Julie Sturgill Council ratifies the approval of purchase of a Master Meter to meter water use at the Fire Training Center at the cost of $6,574.59. The motion was approved with the following recorded vote:

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

Overview of Proposed Fiscal Year 2025-2026 Budget:

The proposed Fiscal Year 2025-2026 Budget is balanced with expected revenues in the amount of $7,000,896 and expected expenditures in the amount of $7,000,896. General fund revenues are expected to be $2,650,707 and expenditures are expected to be $2,560,507 leaving a surplus of $90,200. Water fund revenues are expected to be $2,077,827 and expenditures are expected to be $1,964,051 leaving a surplus of $113,776. Sewer fund revenues are expected to be $1,179,372 and expenditures are expected to be $1,112,214 leaving a surplus of $67,158. The Fire and EMS fund revenues are expected to be $1,092,990 and expenditures are expected to be $1,339,674 leaving a deficit of $246,684.

The proposal includes increases for water and sewer rates. Inside corporate limits the proposed water rate increase of 9%, and 5% rate proposed increase for outside the corporate limits. Inside corporate limits the sewer proposed rate increase of 9% and proposed 5% outside of corporate

limits. Residential water connections are slated to increase to $1,500 for ¾ inch connections. The water and sewer increases are required to support the department's operations. Garbage cans will remain at $15.50 inside the corporate limits and $17.50 outside, with an extra can at $9.50.

The Real Estate Tax rate is slated to remain at $.17 per $100 of valuation. Meals tax is proposed to remain at 7%. Meals tax is projected to be the Town's third highest revenue source behind sewer and water revenue. Cigarette tax is slated to decrease from $193,000 to $165,000. Lodging tax is slated to increase to $22,000 due to renovations of Motel Six.

Fine revenues are slated to increase to $90,000 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 decrease to $34,000 due to less overtime hours requested and grant funds are not available for equipment. The 599 Funds are slated to remain at $47,000. Sales taxes are slated to increase to $90,000. GovDeals sold items are expected to decrease from $10,000 to $2,000 due to surplus equipment being sold over the current and previous fiscal year.

The Virginia Department of Transportation snow removal is expected to be $20,000 in revenue. The Virginia Department of Transportation reimburses the Town $150 per hour per vehicle for snow removal. The Town maintains two snow removal vehicles.

Fire Hydrant fees are $1.00 per water customer per month and is estimated at $26,00 in revenue. This revenue is used to purchase five hydrants to replace at various locations. Capital Set Aside fees are $2.00 per water customer per month and is estimated at $52,000 in revenue. Washington County Service Authority reimburses the Town for 55% for 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 $927,797 in rents. Smyth County Operations and Maintenance Reimbursement is slated to increase to $250,000 from $230,000.

Fire and Emergency Medical Services are projecting $1,092,990 in revenue and it is projected to receive $540,000 from Smyth County Board of Supervisors. Smyth County is slated to pay $100,000 for the fire side of operations and $440,000 for Emergency Medical Services operations. Smyth County will submit $9,000 for operational and maintenance expenses for the training building. The Ambulance Billing Service with Mars/AMB is slated to generate $500,000 in revenues.

Mr. Bob Jeter entered the meeting at 6:28 p.m.

The proposed budget includes a 2.5% Cost of Living Increase for employees. The opportunity for each employee's 2.5% merit increases evaluation remains. Mayor and Council Compensation increases to $23,400; this includes $450 per month for Mayor and $250 per month for Council members. The Planning Commission stipend remains at $40 per month. Health Insurance premium rate will increase 7.4%. The expense for the Audit and other accounting services is estimated at $60,000.

Concerning the E-911, $3,000 is included in the proposed Budget for Smyth County for the operation of the dispatch center. Overall Community Development requests increased to $75,380. This year eleven organizations submitted requests; five organizations requested the same as last

year, five organizations are requesting additional money, and one new organization submitted a request.

The Town Manager's leased vehicle through Enterprise is slated at $430, this will be the last year of a five-year lease. Also, $1,000 is included in Capital Outlay expenses in the Utility and Finance Department. The Hurricane Helene Line of Credit interested is slated to be $94,800 and is based on the equivalency of monthly interest paid to date. Wellness and Park is slated to remain at $50,000 which includes the full-time Recreation and Special Events Coordinator, along with stipends for Directors of football, cheerleading, boys' and girls' basketball at $1,250 each. Also, there is $4,620 slated for Capital Outlay for helmets and football pads.

Building, Grounds and Streets expenditures includes $5,000 for one part time employee to assist with mowing this summer. Also, $5,000 is included in the proposed budget for snow removal expenses. American Electric Power for streetlights and Christmas lights increased to $55,000. Electricity for the Food Pantry is estimated at $12,000. The Capital Outlay budget is $45,000, which includes paving the Splash Pad parking area. Garbage expenditures include $161,580 which includes a 3% 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 $160,300, which includes the I-81 Highway Safety Initiative. Training expenses have decreased to $8,800 because the Southwest Virginia Criminal Justice Training Academy is offering free classes. Also, $14,800 is slated for the Motorola In-Car and Body Camera system, year four of five. The lease payments to Enterprise for two existing police cars for the fifth of five years is $4,646. Police Capital Outlay in the amount of $78,725 includes a 2026 Chevrolet Taho, $14,000 to equip the vehicle, and $4,725 for rifle suppressors. The $60,000 proposed for the new vehicle is contingent upon obtaining funding from USDA/Rural Development Community Facilities Program, which is reflected in the Police Department Revenues.

Mr. Juan Garcia, Hicok, Brown, and Company, Auditor, advised Mrs. Eller the Sidewalk Line of Credit can be carried over from one fiscal year to the next fiscal year. The Revenue Anticipation Note was paid in full in December 2024 and replaced with a $1,000,000 Tax and Revenue Anticipation Note which again, is slated to be paid in full in December 2025. Currently the Tax and Revenue Anticipation Note fund are invested in the Local Government Investment Pool. The interest amount of $24,450 is earmarked in case the Local Government Investment Pool does not accrue enough interest to repay the loan in full.

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 $130,000 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 $8,600. Also, $487,000 is budgeted under Capital Outlay for the following: Meter Reader Truck in the amount of $50,000, new water line installation on Double

D and Sunset Drive for $125,000, $130,000 for Widener and Shuler Tank Refurbish, $45,000 for commercial and industrial meter replacement project, $35,000 for pressure reducing vault upgrades, and $102,000 for split case pump at Mill Creek.

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 $412,696.

Sewer Expenditures include $71,400 for Green Hill Sewer. The Town pays Smyth County after collecting from County sewer customers through the Town's utility billing. Sludge Handling includes $10,500 for transportation of the Town's biosolids to a certified landfill. Also, $380,284 is included in the Budget for debt service. The Capital Outlay budget is $93,000, which includes $50,000 for a truck, $35,000 for an Oxidation Ditch, and $8,000 for two clarifiers for Weirs.

Fire and Emergency Medical Services expenditure includes wages for full-time employees in the amount of $493,243 and part-time employees in the amount of $97,216. For Smyth County Fire and EMS Academy $10,890 is budgeted for expenses to run the Academy. Capital for Firefighting also includes $25,000 for the purchase of gas meters with PID, responder training propane specialist response kit, responder training propane water injection kit, thermal imaging camera, and Virginia Department of Forestry Grant match. Concerning the Debt Service line item, $139,780 is budgeted for the third year on the 20-year loan on the two new fire trucks.

A 2.5% additional raise for all employees in the Finance, Public Works Department, and two Police Officers for longevity, is included in the budget under expenses. 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.

Any Other Business:

Mr. Johnson stated the switch blade grass is impending the line of sight for drivers along Highway Number Eleven and requested for it to be removed.

Motion by Brent Foster, second by Julie Sturgill Council authorizes the Town to remove the switch blade grass impeding the line of sight for drivers along Highway Number Eleven. The motion was approved with the following recorded vote:

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

Mr. Martin was instructed by Council to meet with the Apple Festival Committee to discuss amending the Master Plan. Mr. Martin stated everything went well with the Apple Festival Committee meeting. Mrs. Rebecca Wilkinson-Smith and Mrs. Kathy Wright have requested to have a special called meeting prior to the Council meeting in May to discuss some of the changes with the Master Plan. After much deliberation, Council requested to meet with the Apple Festival Committee during a closed session after the Council meeting on Thursday, May 8, 2025.

Mr. Foster reported the Town has lost a very valuable former Fire and EMS member, Mr. Bill Rhudy. Mr. Rhudy was a very dedicated member of the Town. A Proclamation for Mr. Rhudy will be presented on Thursday, May 8, 2025, Council meeting. A dish garden will be sent to Mr. Rhudy's funeral services on behalf of the Mayor, Town Council, and Staff.

Motion by Brent Foster, second by Bob Jeter Council adjourns this meeting at 8:25 p.m. The motion was approved with the 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