Virginia: **At the regular meeting of the Council of the Town of Chilhowie held at the Municipal Building, June 11, 2026, at 7:00 p.m.**

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

Absent: **None.**

Also Present: **Mr. Brian Martin, Town Manager; Mrs. Felicia Eller, Clerk/Treasurer; Messrs. Paul Cassell, Town Attorney; Andrew Moss, Police Chief; Tyler Keen, Public Works Director; Jenna Prater, Building Official; and Chris Johnson, Foreman Building, Grounds and Streets.**

Mayor Heninger called the meeting to order. Mrs. Stephanie Porter-Nichols gave the Invocation. The Pledge of Allegiance was recited.

Approval of Minutes:

Motion by Brent Foster, second by Julie Sturgill Council approves the regular May 14, 2026, Council meeting minutes as presented. 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

Special Presentation:

- Alyssa's Angels – Blessing Box Project – Ms. Alyssa introduced herself and shared information about her Community Service Platform, Alyssa's Angels. Her three years of participation in pageants have helped her develop confidence, leadership skills, and a desire to serve others. Her experiences inspired her to create Alyssa's Angels, a platform dedicated to serving the Community by sharing hope, spreading kindness, and assisting those in need through Community service projects.

  Ms. Alyssa highlighted one of her most meaningful projects, a Blessing Box/Little Free Library that she and her father built using donated materials from Berry Home Center in Chilhowie. The project was created to provide a convenient location where Community members can access nonperishable food items and books. After the blessing box previously located on Main Street in Marion was removed, she wanted to establish a similar resource to help address food insecurity and encourage neighbors to support one another.

Ms. Alyssa was hopeful that Alyssa's Angels will inspire others to give back, share hope, and spread kindness throughout the Community, emphasizing that small acts of generosity can make a meaningful difference.

Motion by Brent Foster, second by Bill Clear Council approves installing Alyssa's Angels Blessing Box at the H.L. Bonham House on the side porch. 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

- Proclamation for State Champion for 300 M Hurdles – On June 6, 2026, Ms. Raegan Jones attended the Virginia High School League Class 1 State Track Meet at James Mdison University. Ms. Jones set a new State meet record and earned the 300-meter hurdles State Championship in both 2025 and 2026. Mrs. Eller presented the following:

RESOLUTION

WHEREAS, the Town of Chilhowie is honored to recognize the outstanding accomplishments of its community members, and;

WHEREAS, Raegan Jones traveled to James Madison University on Saturday, June 6, 2026, and participated in the Virginia High School League Class 1 State Track Meet, and;

WHEREAS, her efforts resulted in the earning of a 300-meter hurdles state championship in both 2025 and 2026, and;

WHEREAS, Raegan's determination culminated in the securing of two back-to-back State Championships for Chilhowie,

NOW THEEFORE LET IT BE RESOLVED, that the Town of Chilhowie through its Mayor, Town Council and Employees hereby recognizes Raegan Jones for her extraordinary achievement in winning the Virginia State Championship and embraces the recognition this achievement has brought Chilhowie High School, the Town of Chilhowie, Smyth County and all Southwestern Virginia, and;

LET IT BE FURTHER RESOLVED, that the Town of Chilhowie congratulates Raegan Jones and expresses its appreciation to all the athletes, coaches, staff, fans and students of Chilhowie High School for the class and sportsmanship they exhibit as they represent our community.

RESOLVED THIS 11TH DAY OF JUNE 2026 BY THE MAYOR AND CHILHOWIE TOWN COUNCIL

_____ _____

Mayor Felicia Eller, Clerk Treasurer

Motion by Brent Foster, second by Bob Jeter Council adopts the Proclamation for State Champion for 300 M Hurdles. 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

Public Hearings:

- Proposed Real Estate Tax Rate Increase - Mrs. Felicia Eller presented the following:

Notice of Public Hearing
For
Notice of Proposed Real Property Tax Increase

The Town of Chilhowie proposes to increase property Tax Levies for Fiscal Year 2026-2027. This budget, if adopted as proposed, will go into effect July 1, 2026.

The Town proposes to adopt a tax rate of 19 cents per $100 of assessed value. This would be an increase of 2 cents from the current tax rate of 17 cents per $100. Based on the proposed real property tax rate and changes in other revenues, the total budget for the Town of Chilhowie, if adopted as proposed, will exceed the previously adopted budget by 9.64 percent.

The public hearing on the increase will be held on June 11, 2026, at 7 p.m. at the Chilhowie Town Hall, located at 325 East Lee Highway, Chilhowie, Virginia.

By Order of Mayor Heninger and Chilhowie Town Council.

J. Brian Martin
Town Manager

Mayor Heninger opened the Public Hearing at 7:15 p.m.
Mayor Heninger closed the Public Hearing at 7:16 p.m.

- Proposed Fiscal Year 2026-2027 Budget – Mrs. Eller presented the following:

NOTICE OF PUBLIC HEARING
2026-2027 BUDGET PROPOSAL
TOWN OF CHILHOWIE, VIRGINIA

Pursuant to Section 15.2-2506 of the Code of Virginia (1950), as amended, the Council for the Town of Chilhowie will conduct a Public Hearing on the proposed fiscal year 2026-2027 Town Budget beginning at 7:00 p.m. Thursday, June 11, 2026, in Council Chambers, 325 East Lee Highway, Chilhowie, Virginia.

This synopsis is published for information and planning purposes only and will serve as a guide to earmark expenditures and allocate revenues. The proposed budget in no way obligates the Town of Chilhowie to any expenditure. Any citizen is invited to attend the public hearing on the budget proposal and state their views thereon. A copy of the proposed budget is on file and may be examined in the office of the Clerk located in the Municipal Building, 325 East Lee Highway, Chilhowie, Virginia 24319.

By Order Of the Chilhowie Town Council – J. Brian Martin., Town Manager

Estimated Revenues	
Property Tax	$543,462
Business License	180,000
Bank Stock Tax	50,000
Utility Tax	105,000
Communication Tax	25,000
Consumption Tax	9,000
Sales Tax	95,000
Meals Tax	905,000
Cigarette Tax	165,000
Other Taxes	51,700
Fines	88,000
Law Enforcement Funds	96,308
Rolling Stock Tax	3,500
Miscellaneous	22,028
Garbage	177,656
Recreation	50,000
Building Inspection	1,500
Snow Removal	15,000
Water Billing, Penalties, Fees Connections	2,151,077
Fire Protection, Hydrant Replacement	26,500
Sewer Billing, Penalties, Fees, Connections	1,032,923
Smyth County Sewer Reimbursement	275,000
Fire/EMS Billing	555,000
Fire/EMS Grants	32,640
Smyth County Contributions Fire/EMS	600,000
Smyth County Training Center	13,190
Sale of Equipment	0
SNAP - Farmer's Market	300
Revenues	**$7,269,784**

Proposed Expenditures	
Administration Wages, Fringe	$464,867
Contract Services	60,000
Community Development	73,000
Building Inspection	1,000
Operations, Utilities	359,268
Capital Outlay	500
Wellness & Parks Wages, Fringe	76,782
Operations	60,125
Capital Outlay	6,800
Building & Grounds Wages, Fringe	275,178
Operations, Utilities	192,199
Capital Outlay	0
Garbage	196,875
Public Safety Wages, Fringe	755,945
Operations	239,478
Capital Outlay	0
Water Wages, Fringe	823,971
Operations, Utilities	471,487
Fire Protection Hydrant Replacement	26,500
Debt Service	409,598
Capital Outlay	94,378
Sewer Wages, Fringe	396,029
Operations, Utilities	373,605
Debt Service	374,145
Capital Outlay	40,000
Fire/EMS Wages, Fringe	990,726
Operations, Supplies – Fire/EMS	348,611
Capital Outlay	7,900
Fire/Rescue Academy	10,890
Debt Service	139,927
SNAP-Vendor Payment	0
Expenditures	**$7,269,784**

NOTE: This budget includes:

- Outside Corporation Water Rate Increase 9%
- Inside Corporation Water Rate Increase 9%
- Outside Corporation Sewer Rate Increase 9%
- Inside Corporation Sewer Rate Increase 9%
- Utility Deposit from $50 to $100
- Garbage Rate Increase 8%

- Real Estate Tax Rate Increase from $0.17 to $0.19 per $100

Publish in Smyth County News Messenger:
May 27 and June 3, 2026
Posted on Bulletin Board at Town Hall
Posted on www.chilhowie.org

Mayor Heninger opened the Public Hearing at 7:17 p.m.
Brent Foster: For those who may not be aware of the recent garbage rate increase, the Town has been operating its garbage collection as a loss. The 8% increase will allow the Town to break even during the next Fiscal Year.
Mayor Heninger closed the Public Hearing at 7:18 p.m.

Old Business:

- Update on Removal or Repair of Identifies Unsafe (Burned Out) Structures - Chief Haynes is attending Hazardous Materials (HazMat) training. Upon Chief Haynes' return, the Town plans to issue Property Maintenance Code violation notices for two properties located on Old Stage Road Extension and at the eastern dead end of Sunset Drive.

- Update on Hurricane Recovery Approval of Pay Request Number 8 - Substantial progress has been made with the three aerial sewer crossings. The crossings at the Chilhowie High School and Tattle Branch have been completed and are operational. The final aerial crossing located near the Smyth County Career and Technology Center was placed into service on June 10, 2026. The contractor is currently completing minor punch list items and site cleanup.

  The completion of the aerial crossings has eliminated the need for temporary bypass pumps, resulting in an estimated savings of approximately $20,000 per month for the Town. The newly installed crossings are more robust and better protected than the previous structures, providing greater long-term reliability.

  Mr. Martin expressed his appreciation to Portland Utilities Construction Company for their work on the project, Hurt & Proffitt for its engineering guidance throughout the restoration efforts, Town staff for their dedication, and Council for its continued support during the recovery process. All Federal Emergency Management Agency (FEMA) reimbursement requests have been submitted and are currently being processed through the Virginia Department of Emergency Management (VDEM), with Town staff continuing to work closely with the Agency.

Mr. Martin respectfully requests the approval of Pay Request Number 8 in the amount of $202,884.40, noting that he anticipates Pay Request Number 9 will be the final payment upon completion of the remaining punch list items.

Motion by Julie Sturgill, second by Brent Foster Council approves Pay Request Number 8 in the amount of $202,884.40. 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

- Discussion of the State of Virginia 250th Celebration – A display of flags will be featured at the Smyth County Courthouse in Marion, and the Birth of Independence Committee has prepared small commemorative flags that will be distributed during the event. The H.L. Bonham House will serve as the official stop for historical presentations and related activities. The Lincoln Theatre in Marion has two upcoming programs. The Patriot will be shown on June 28th and For Liberty on September 27th. The next meeting to discuss the State of Virginia 250th Celebration will be held on Wednesday June 17, 2026, at the H.L. Bonham at 3:30 p.m.

- Update on Double D Water Project - Mr. Keen has ordered all necessary materials, which have either been received or are expected to arrive soon. The existing water lines were installed in the late 1960s by a Private Contractor and are among the oldest in the Town's water system. As a result, the lines have experienced significant leakage, negatively impacting the Town's water accountability.

  All three required easements have been signed by the affected property owners. The only remaining item is Verification of Power of Attorney for another County. Once received, the easements will be recorded, allowing Mr. Keen to proceed with construction.

  The project will be completed by Town staff rather than through a contractor, requiring personnel from multiple departments to assist with the work. While installation of the new main water line is expected to proceed efficiently, the more time-consuming portion of the project will be connecting the new line to the existing system and reconnecting the individual service laterals.

- Discussion of Purchase of a MIG Welder – The Town has two certified welders on staff, both of whom advised that the Town's existing stick welder is sufficient to meet the Town's current welding needs.

New Business:

- Smyth County Recreation - Mr. Andy Rudy has accepted the position of Smyth County Recreation Coordinator. Mr. Rudy had planned to attend the meeting to introduce himself

and address Council; however, he was unable to attend due to an unexpected matter. Mr. Rudy plans to attend a future meeting,

- Smyth County Humane Society and Animal Rescue - A representative of Smyth County Animal Rescue appeared before Council to express appreciation for the Town's $2,500 contribution during Fiscal Year 2025-2026 and to request continued financial support in the Fiscal Year 2026-2027 Budget. An overview was provided of the animal welfare organizations serving Smyth County, including the Smyth County Animal Shelter, Smyth County Animal Rescue, and the Humane Society of Smyth County, along with an explanation of how the organizations work collaboratively to care for abandoned, abused, neglected, and stray animals.

  Animals received by the Smyth County Animal Shelter are held for the required holding period while efforts are made to locate their owners through identification tags and microchips. If an owner is not located, the animals are transferred to Smyth County Animal Rescue, where they receive vaccinations, are spayed or neutered, microchipped, and prepared for adoption. Animals that are not adopted locally are often transferred to partner rescue organizations to increase their opportunities for permanent placement.

  Smyth County Animal Rescue has operated its facility since 2019 and currently employs four staff members. The organization is funded through grants, donations, fundraising events, and local government contributions. In 2024, the organization assumed management of the Smyth County Animal Shelter and has since secured grant funding to make significant improvements to the shelter, including upgrades to adoption procedures, preventative veterinary care, isolation kennels, exercise areas, an emergency generator, and a dog washing station.

  During the past year, the shelter and rescue cared for approximately 1,194 animals. In addition, the Humane Society of Smyth County, which operates entirely through volunteers, facilitated the spay and neuter of approximately 1,084 animals, including nearly 300 trap-neuter-return (TNR) community cats. The Humane Society also distributed more than 30,000 pounds of pet food to families in need and maintains an emergency veterinary assistance fund to help pet owners obtain immediate medical care for their animals.

  The organization's staff and approximately 60 volunteers were recognized for their dedication, with volunteer support noted as being essential to the successful operation of the rescue. Council was invited to tour the Smyth County Animal Rescue facility.

  The representative thanked Council for their continued support and offered to answer questions or provide additional information as needed.

- Update on AEP Rate Increase – Appalachian Electric Power issued information regarding the proposed rate adjustments. Appalachian Electric Power is utilizing securitization and other cost-management measures in an effort to minimize impact of future rate increases on customers. The company is requesting its lowest base rate increase in the Commonwealth of Virginia in nearly 30 years.

- Smyth County Regional Industrial Facility Authority - Mr. Martin provided an update on discussions regarding the formation of a Smyth County Regional Industrial Facility Authority (RIFA). The topic was discussed at the recent Smyth 12 meeting, which was attended by the Mayor, Councilman Clear, and Mr. Martin.

  The proposed Regional Industrial Facility Authority would be a voluntary partnership between Smyth County and any of the three incorporated Towns within the County that choose to participate. The Authority would operate similarly to existing Regional Industrial Facility Authorities by allowing participating localities to collaborate on industrial and economic development projects.

  Under the proposed agreement, participating members would have the option to invest in individual projects on a voluntary basis and would not be required to participate in every development opportunity. Each participating Locality would determine the amount of their investment, with any financial return distributed proportionately based on that investment.

  The proposed Authority would allow the Town to participate in economic development projects located elsewhere in Smyth County, while also providing opportunities for the County and participating Towns to invest in development projects within the Town of Chilhowie.

  The terms of participation and financial investment would be negotiated on a project-by-project basis. The proposal remains in the preliminary stages. The purpose of exploring the formation of a Regional Industrial Facility Authority is to provide participating Localities with additional opportunities to promote economic development, encourage regional collaboration, and diversify revenue sources rather than relying solely on local taxation.

Motion by Brent Foster, second by Shannon Donnelly Council authorizes Town Manager to move forward with Smyth County for further explanation. 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

- Request to Transfer for Long Term Assets - One of the financial goals established when Mr. Martin became Town Manager was to build the Town's financial reserves to approximately 20 percent of the annual operating budget. While there is always room for improvement, the Town's financial position has strengthened considerably over the past two years. Mr. Martin attributed this progress to the fiscal responsibility exercised by department heads, who have carefully managed their budgets, as well as the diligence of Mrs. Eller in overseeing the Town's finances.

  Mrs. Eller reviewed the Town's Local Government Investment Pool (LGIP) statement with Council. The Local Government Investment Pool serves as the Town's financial reserve and that the funds remain readily available should they be needed for future capital or operational expenses.

  Mrs. Eller and Mr. Martin respectfully request Council's approval to transfer $100,000 into the Town's Local Government Investment Pool Long-Term Asset Account. The transfer would continue the Town's efforts to build its reserve fund toward the established goal of $1 million while increasing the investment income earned on the reserve balance.

Motion by Bob Jeter, second by Brent Foster Council approves to wire transfer $100,000 from the General Fund account to the Local Government Investment Pool Long Term Assets Fund account. 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

- Updated Monitoring and Reporting PFAS Outflow - Mr. Martin provided Council with an informational update regarding new monitoring and reporting requirements for per- and polyfluoroalkyl substances (PFAS), as outlined in correspondence from the Virginia Department of Environmental Quality.

  As a result of legislation adopted during the 2026 General Assembly Session, publicly owned treatment works, including the Town's wastewater treatment facility, will be subject to enhanced per-and polyfluoroalkyl substances monitoring and reporting requirements. To comply with the new State Mandate, the Town will be required to coordinate with local industries that use or may use per- and polyfluoroalkyl substances containing materials in their manufacturing processes to develop a monitoring plan and better identify per- and polyfluoroalkyl substances entering the Town's wastewater treatment system.

  There is currently no known treatment process capable of completely removing per- and polyfluoroalkyl substances from wastewater, making monitoring and source identification an important component of protecting downstream water resources. The additional

monitoring requirements will increase the Town's administrative and operational responsibilities.

Committee Reports:

- Request to Purchase a vehicle for Water Operators - Council tabled the matter pending the additional quotes for a used vehicle from Mr. Keen.

- Update on Grosses Creek Spring - Mr. Martin updated Council on the Town's ongoing efforts to determine the feasibility of returning the original Town Spring to service. The Town has purchased a flume, representing an investment of approximately $18,000, which will allow the required flow monitoring to begin. The monitoring process is expected to take approximately 1,000 days.

Department Reports:

Mr. Martin, Town Manager, commended Mrs. Eller and Town staff for their continued efforts in bringing the Town's delinquent audits up to date. Representatives from Hickok, Brown & Company were on-site throughout the day conducting audit work and expressed their appreciation for the professionalism and diligence demonstrated by Mrs. Eller and staff.

Mr. Martin congratulated Councilwoman Sturgill on her recent appointment as Principal of Oak Point Elementary School and wished continued success in her new role.

The Virginia Department of Transportation (VDOT) installed pedestrian safety improvements. The Town is coordinating with Virginia Department of Transportation to schedule a formal dedication or recognition event to acknowledge the completion of the project and the efforts of those who advocated the improvements.

The Smyth County Tourism Association has scheduled a Tourism Focus Group meeting on July 16, 2026.

Mrs. Eller, Clerk/Treasurer, provided an update regarding Business License renewals. Business Licenses were due on May 1, and an additional 10-day grace period was granted before penalties were assessed. The second notices of delinquency have been mailed, and all outstanding licenses are past due. As of June 5, delinquent businesses are expected to remit payment immediately.

There are currently 27 delinquent businesses. While the Town is actively pursuing compliance and enforcing licensing requirements, Mrs. Eller emphasized a willingness to work with business owners to resolve outstanding balances and bring accounts into compliance.

Council was invited to attend a ribbon cutting of Penny’s Kitchen and Entertainment on Friday, June 12, 2026, at 10 a.m.

Mrs. Jenna Prater, Building Official, provided an update on the Building Department's fee schedule. A proposed amendment pertains not to building permit fees, but to fees associated with the inspection of amusement devices, which are administered through the Building Department. The Virginia Amusement Device Regulations prescribe the fees charged for inspections and the issuance of inspection stickers. Accordingly, the Town's fee schedule will be updated to mirror the state-mandated rates, resulting in a minor increase for those services.

On the Fire Department side, Chief Haynes has been attending Hazardous Materials Chemistry School in Yorktown since June 1st. Chief Haynes is expected to return on Friday, June 12, 2026, pending successful completion of his final examination.

Chief Moss thanked Town staff and Council for their patience and support during the June 11, 2026, search for a wanted suspect.

Chief Moss reported that the new vape policy implemented and that all retailers are currently in compliance. The Police Department will continue to monitor businesses to ensure ongoing compliance with the policy.

Mr. Tyler Keen, Public Works Director, reported the Public Works Department repaired seven water leaks, cleared five clogged sewer lines, replaced four pressure-reducing valves, installed one new water meters, opened the Splash Pad, and assisted in the Older Americans Day. In addition, staff marked 72 Miss Utilities.

Mr. Stephen Fields, Recreation/Special Events Coordinator, shared Carson Peters and Iron Mountain will perform on Saturday, June 20, 2026, at 7:00 p.m. The concert will serve as the final performance of the One Day at a Time Music Series.

Any Other Council Business:

Mayor Heninger expressed appreciation to Town staff and Council members for their continued hard work, dedication, and service to the Community.

Motion by Brent Foster, second by Julie Sturgill Council continues this meeting until June 18, 2025, at 7:00 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