

**Virginia:** At the regular meeting of the Council of the Town of Chilhowie held at the Municipal Building, June 14, 2018 at 7:00 p.m.

**Present:** Honorable Gary L. Heninger, Mayor Presiding; Councilors Donna S. Blevins, Billy L. Clear, Charles E. Doane, Emily B. Dungan and F. Brent Foster.

**Absent:** Councilman Alan Counts.

**Also Present:** Mr. John E. B. Clark, Jr., Town Manager; Mrs. Marlene Henderson, Clerk-Treasurer, MMC; Messrs. Paul Cassell, Town Attorney; Stephen Price, Police Chief; Jay Keen, Public Works Director; David Haynes, Fire Chief and Randy Sturgill, Building Official.

Mayor Heninger called the meeting to order. Mr. Randy Sturgill gave the Invocation. The Pledge of Allegiance was recited.

**Approval of Minutes:**

Motion by Brent Foster, second by Donna Blevins Council adopts the regular May 10, 2018 meeting minutes as written. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

**Citizens Time:**

John Lentz appeared before Council on behalf of Kiwanis International. The Kiwanis International would like to form a club in Chilhowie. The Kiwanis serves the children of the world. The goal is to recruit fifteen individuals from this area willing to join the Kiwanis International Club.

Mike Carter and Michelle Hartzog appeared before Council to express the Multi-disciplinary Team's appreciation to the Town and Town employees for assisting with the 2018 Older Americans Day event. This year's event hosted seventy-eight vendors and served over 1,100 lunches. The Older Americans Day event held in Chilhowie is the largest senior citizen event in the area. Certificates of Appreciation were presented and Mr. John Clark was recognized for his outstanding service as MC for the event.

Lynn Pease appeared before Council to report the Planning Commission has been working on the revision of the Comprehensive Plan with Aaron Sizemore of Mount Rogers Planning District Commission. The Planning Commission is in the final stage of the Comprehensive Plan revision and should complete the final review July 10, 2018 and will present to Council during the regular scheduled August Council meeting and schedule a Public Hearing during the regular scheduled Council meeting September 2018.

**Old Business:**

- Update on Downtown Revitalization Project – The Pre Construction Conference on the Streetscape Project and the Demolition Project were held June 6, 2018. Boring Contractor of Abingdon has the low bid for the Streetscape Project and is expected to begin July 9, 2018 and has 180 days to substantial completion. D. H. Griffin, the Demolition Contractor began removing lead and asbestos on July 11, 2018 with 120 days to substantial completion. The monthly progress meetings for both projects are set for the last Tuesday of each month at 3:00 p.m. The monthly management team meeting has been moved to the last Tuesday of the month at 6:00 p.m. to better accommodate Dennis Amos of Hurt and Proffitt. All pay requests are to be processed and submitted to the Town Manager by the Monday previous to Council meeting on the second Thursday for Council’s consideration.
- Presentation of Bids on Financing Community Development Block Grant Activities for Downtown Revitalization Project – All the local banks were mailed a request for bids on financing Town of Chilhowie Downtown Revitalization Projects and two banks submitted bids. New People’s Bank submitted a bid with an interest rate of 4.00%, payment per month of \$2,698.97 for a total payoff of \$226,714.22. The Bank of Marion submitted a bid with an interest rate of 3.99%, payment per month of \$2,698.08 for a total payoff of \$226,638.72.

Motion by Donna Blevins, second by Brent Foster Council accepts the bid from the Bank of Marion in the amount of \$226,638.72 and authorizes the Town Manager and Treasurer to sign the necessary documents. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

- Update on East Lee Highway Sidewalk Project – Thompson and Litton engineering firm has submitted the final package to the Virginia Department of Transportation for approval. The project should be ready to bid July 2018.
- Update on Inoperable Vehicle Court Proceedings – Court proceedings were held June 8, 2018. Nine summonses were issued. The Judge dismissed eight that became compliant prior to the Court proceedings. The one summons issued that did not become compliant was fined \$100 but reduced to \$50 since one of the two vehicles has been removed. Chief Price is to check on the one vehicle that is not compliant.
- Update on Water Damage at Town Hall – The Town Hall had a main water line break that flooded the Council Chambers. The leak was found by a Police Officer and Public Works and the Fire Department came together to resolve the leak. Red Oak Construction was on scene by midday and immediately began work toward repairs. Mayor Heninger thanked all Departments for their assistance. Virginia Municipal League Insurance is working with Red Oak on the cost estimate for repairs.

**New Business:**

- Announcement of 2018 Business Boot Camp Winners – The 2018 Business Boot Camp has come to a close with a total of ten new business or business expansions with seven being in the Town of Chilhowie. Within the Town the new businesses are Mountain Top Fitness, Elite Sports, Papa’s Café, Warrior Defense, Elaina’s Boutique, Captured Photography and the expansion of Nice to be Kneaded. There are three new businesses or expansions within Smyth County: Chilhowie Fence Supply, Laurel Springs Farm and Valley County Store. A total of \$80,000 in grant funds was awarded to the ten businesses to assist their business or expansion.
- Request on Fire Study through the Fire Service Board – A letter was sent to the Smyth County Board of Supervisors requesting a Fire Study be conducted and Smyth County denied the request. Fire Chief Haynes requested a letter be sent to the Virginia Fire Service Board requesting a Fire Study for the Town at no cost. Surrounding areas have had Fire Studies conducted with Washington County having two Fire Studies completed.

Motion by Brent Foster, second by Donna Blevins Council authorizes Town Manager to sign request for a Fire Study through the Virginia Fire Service Board. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

- Update on Geocaching – Emily Dungan has been contacted by a citizen inquiring the possibility of placing geocaches in the Chilhowie area. Geocaching is similar to scavenger hunting using GPS devices. Each geocache is placed in chosen areas the Town would like people to visit such as the H.L. Bonham Tourism Center and Chilhowie Recreational Park and people find them and leave the trinket for the next person but check that particular geocache off the their listing. The Smyth County Chamber of Commerce will place and maintain the geocaches.
- Notice of Certification of Jenna Haynes as Fire Official – Jenna Haynes has recently completed all classes and testing to become a Certified Fire Official.
- Notice of Rate Increase from Republic Services on Solid Waste Disposal – Republic Services has proposed a rate increase of 3.1% for garbage collection rate. The budget will absorb the increase with no increase of cost to the citizens since the increase remains below the current charge for garbage cans.

Councilwoman Dungan inquired about the possibility of recycling. Following discussion the Town Manager will look into the possibility of recycling with Republic Services.

- Update on Building/Code Compliance Activities – Renovations at Knights Inn are almost complete. The roughed in plumbing and majority of the electrical is complete. The plumbing in the bathrooms has been finished and sheet rocking is near completion. A total facade change is expected for the front of the facility. The owner hopes to be open by the fall NASCAR race in August. There is currently one new construction in Wind Haven subdivision. The owner of the Warrior Grill has begun the remodeling of a new facility to relocate the restaurant. Work has begun at the house that caught fire on Echo Lane. Four maintenance letters have been issued and two have come into compliance at this time.
- Request to Hold Public Information/Public Comment on Proposed Farmer’s Market Building – The Town is eligible for \$100,000 grant funds from Rural Development for a Farmer’s Market building. The Town is also eligible for the Tobacco Commission Grant as well. The Smyth County Board of Supervisors will be required to revise the deed prior to a building being constructed. The Town Manager requested to hold a meeting for public comment prior to pursuing the project. There were discussions of relocating the Farmer’s Market to the Recreation Park but Rural Development will not fund a project in the floodplain, it must be located at the market’s present location. A Public Information and Comment meeting was set for June 28, 2018 at 7:00 p.m.

**Committee Reports:**

- Fire and Police on Derelict Property Ordinance – The Derelict Property Ordinance requires a Tax Abatement Program Ordinance and the Town does not have such program. At this time a Tax Abatement Program Ordinance is more than what the Town needs. The Town is able to maintain properties through the Maintenance Code.
- Finance Committee on Revisions to 2018-2019 Budget – The Committee proposed the Town pay 83% of the Health Insurance premium and the Employees pay 17% of the Health Insurance premium which would save the Town \$7,000 as well as benefit all employees. The variance of \$21,000 will come from the expense of transfers from reserves for the Community Development Block Grant Expense budgeted. The budget balances with these seven line item changes.

**Resolution  
Electing To Provide  
Health Insurance Coverage  
For Elected Officials**

The Local Choice Health Benefits Program provides health insurance benefits to our employees and their dependents.

Be it hereby resolved that this 14<sup>th</sup> day of June, 2018, the **Town of Chilhowie** does approve that coverage be added for our elected governing body and their dependents to be effective on July 1, 2018 and continuing in conjunction with our health insurance benefits.

It is our desire to cover them as a special class of Part Time. The elected official will pay **fifty percent (50%)** of the elected official premium cost and **one hundred percent (100%)** of the premium cost for dependents covered at regular intervals as determined by the Plan.

We recognize that health benefits for this class of employee will be available as long as they remain in their elected position. Retiree coverage for elected officials is not available.

---

Signature/Date

---

Print or Type Name and Title

---

Group Name

**RESOLUTION**

**Concerning Participation By  
Part Time Employees In The  
Health Insurance Plan**

**WHEREAS** the **Town of Chilhowie** provides all full time employees with medical health insurance through a health insurance plan “the Plan” and

**WHEREAS** only those Part Time employees who work a minimum of **thirty-two (32) hours per week, on an annual basis** will be eligible and

**WHEREAS** the **Town of Chilhowie** will pay **fifty percent (50%)** of the amount contributed for Full Time employees and their dependents, if covered and

**WHEREAS** the option is available only to those employees eligible on or becoming eligible after **July 1, 2018** and

**WHEREAS** the **Town of Chilhowie** reserves the right to modify or discontinue health care plans and third party providers at its discretion.

**NOW THEREFORE BE IT RESOLVED** that the **Town of Chilhowie** does hereby extend the option for Part Time employees to participate in the health insurance plan.

Date: \_\_\_\_\_

Signed By: \_\_\_\_\_

Attested By: \_\_\_\_\_

**RESOLUTION**  
**Electing To Provide**  
**Health Insurance Coverage**  
**For Retirees and Dependents Of Retirees**

WHEREAS the **Town of Chilhowie** is a participant in The Local Choice Health Benefits Program, and

WHEREAS the **Town of Chilhowie** offers health insurance to its eligible employees and their dependents, and

WHEREAS the **Town of Chilhowie** has in place a policy to provide coverage to retirees and their dependents not eligible for Medicare; and

WHEREAS the **Town of Chilhowie** does not have in place a policy to provide coverage to retirees and their dependents eligible for Medicare; now

WHEREAS the participating former employee will pay **fifty percent (50%)** of the premium cost for the retiree and **one hundred percent (100%)** of the dependent coverage at regular intervals and determined by the Plan.

THEREFORE BE IT RESOLVED that the **Town of Chilhowie** does hereby elect to provide coverage to Medicare Eligible Retirees and their dependents effective on **July 1, 2018**. Our choice of Medicare Supplemental coverage is **Advantage 65 with Dental/Vision**.

Adopted on **June 14, 2018**

By the **Council of the Town of Chilhowie**

\_\_\_\_\_  
Gary L. Heninger, Mayor

**RESOLUTION**  
**Concerning Participation By**  
**Retirees Not Eligible For Medicare**  
**In Health Insurance Program**

**WHEREAS** the **Town of Chilhowie** provides all full time employees with medical health insurance through a health insurance plan “the Plan” and

**WHEREAS** the **Town of Chilhowie** has the option to provide employees retiring from **Town of Chilhowie** service the ability to purchase health care insurance through the **Town of Chilhowie’s** plan until such time as they become eligible for Medicare health coverage as determined by the federal government. At that time retiree coverage will end.

**WHEREAS** only those employees retiring who meet the eligibility requirements retiring after 50 years of age and then years of service with the Town of Chilhowie may participate in this plan. Age and service requirements are waived if the retiring employee is documented to be disabled and

**WHEREAS** the participating former employee will pay **fifty percent (50%)** of the premium, cost for the retiree and **one hundred percent (100%)** of the dependents covered at regular intervals as determined by the Plan. Failure to timely pay the premium due will result in the immediate cancellation of the former employee’s plan and

**WHEREAS** the option is available only to those retiring on or after **July 1, 2018**, and

**WHEREAS** the **Town of Chilhowie** reserves the right to modify or discontinue health care plans and third party providers at its discretion.

**NOW THEREFORE BE IT RESOLVED** that the **Council of the Town of Chilhowie** does hereby extend the option for retired employees not eligible for Medicare to purchase health care insurance coverage through the Plan.

Date: \_\_\_\_\_

Signed By: \_\_\_\_\_

Attested By: \_\_\_\_\_

Motion by Brent Foster, second by Charlie Doane Council accepts the Resolution Electing to Provide Insurance Coverage for Elected Officials, the Resolution Concerning Participation by Part Time Employees in the Health Insurance Plan, the Resolution Electing to Provide Health Insurance Coverage for Retirees and Dependents of Retirees and the Resolution Concerning

Participation by Retirees Not Eligible for Medicare in Health Insurance Program as presented. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Nay	Brent Foster	Aye

Motion by Charlie Doane, second by Brent Foster Council authorizes the transfer of \$21,000 from Community Development Block Grant line item to the Health Insurance line item that changes a total of seven budget line items. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Abstain
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Nay	Brent Foster	Aye

- Finance Committee Recommendation on Adoption of 2018-2019 Budget – The total revised budget is \$4,525,772 that includes 4.5% water and sewer rate increase.

Motion by Brent Foster, second by Charlie Doane Council accepts the revised 2018-2019 Budget. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Abstain
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

**Department Reports:**

Town Manager John Clark requested to increase his portion of the health insurance premium to 25% from 20% in light of Council reducing other employees' responsibility to 17% of the insurance premium, Council picking up a percentage of other classes of employees, and the Town of Marion already picking up a portion of his insurance as a retiree, with the ability to go back to 20% next fiscal year. The Town will pay 75% of the premium for the Town Manager which will save the Town \$94 per month.

Motion by Brent Foster, second by Bill Clear Council accepts the Town Manager's request to increase the Town Managers Health Insurance Premium to 25% from 20% for the fiscal year 2018-2019. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

Public Works Director, Jay Keen reported the trusses are set for the pole barn and is under roof. At this time the building will not have a concrete floor but will store pipe and equipment out of the weather. Once all the metal is delivered the pole barn is expected to be complete within seven days.



**Any Other Council Business:**

**Closed Session:**

- Discussion of Substantial Completion of Regional Water Treatment Plant on June 1<sup>st</sup> and Contract Implications – 2.2-3711(A)(7) of the Code of Virginia, as amended

Upon motion of Mr. Brent Foster, second by Mr. Bill Clear and unanimously passed Council hereby enters into Closed Session for Discussion of Substantial Completion of Regional Water Treatment Plant on June 1<sup>st</sup> and Contract Implications 2.2-3711(A)(7) of the Code of Virginia, as amended. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

Upon motion of Mrs. Donna Blevins, second by Mr. Brent Foster and unanimously passed Council hereby enters into Open Session. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

**CERTIFICATION OF CLOSED SESSION**

The Town of Chilhowie has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and Section 2.2-3711(A)(7) of the Code of Virginia requires a certificate by the Council that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Council of the Town of Chilhowie hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certificate applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Town Council.

Approved with the following roll call vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

Motion by Brent Foster, second by Bill Clear Council accepts the recommendation by the Town Attorney and Town Manager to recover damages for breach of contract on Mill Creek Regional Water Treatment Plant. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

Pay Request Number 15 in the amount of \$64,200.26 was presented to Council. Pay Request Number 15 is for work already completed thru May 30, 2018.

Motion by Brent Foster, second by Charlie Doane Council approves Pay Request Number 15 for the amount of \$64,200.26. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

- Update on Mill Creek Regional Water Treatment Plant Project and Presentation of Change Order Number 6 – Bobby Lane, The Lane Group, presented Change Order Number 6 which concerns two modulating valves. The two modulating valves leaves the water treatment plant one coming to the Town of Chilhowie and one going to Washington County. The modulating valves require a computer programing to be installed. The Lane Group left the computer programming out of the Contractor’s contract for the Contractor to perform the work. The quote for the Contractor to perform the work is \$7,422. The Contractor needs to do the work so valves modulate properly. The Change Order gives the Contractor no additional time to complete the task. The mistake of leaving the modulating valves out of the original contract was discovered February 28, 2018.

Motion by Brent Foster, second by Charlie Doane Council authorizes Town Manager to sign Change Order Number 6, Option 1 at the cost of \$7,422 without a time extension. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

Motion by Brent Foster, second by Donna Blevins Council continues this meeting until Thursday, June 28, 2018 at 7:00 p.m. The motion was approved with the following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Absent	Charlie Doane	Aye
Emily Dungan	Aye	Brent Foster	Aye

\_\_\_\_\_  
Gary L. Heninger Mayor

\_\_\_\_\_  
Marlene L. Henderson, MMC Clerk