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TOWN OF CHILHOWIE

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Police Chief: Stephen W. Price
Director – Public Works: Jay Keen
Fire Chief: C. David Haynes**

Town Manager's Report to Mayor and Town Council May 12, 2018

Formulation of 2018-19 Budget Proposal

Marlene Henderson and I have been working on the 2018-19 budget very diligently since the middle of March. We have finished the draft and are ready to present it to Council. Without going into much detail at this writing, because the proposal will be very detailed when you receive it, the budget is showing a small deficit of \$42,128, with \$4,556,900 in expenditures and \$4,514,772 in revenues.

The document will be presented to Council the week of April 9. We can proceed two ways. First, it could be referred to the Finance Committee. After their review then it would then be taken to the full Town Council for final tentative approval. The second option could be for Council to continue its April 12 meeting to a meeting date the week of April 16 early in the evening around 5:30-6:00. The review I would think would take about 90 minutes to two hours. If Council completed its review then it could be prepared for public hearing on May 10. Adoption could be on the regularly scheduled meeting on June 14.

Either option could / would put us a month ahead in the adoption process, particularly the second option if we finished the review in one evening. If the public hearing was held at the regular meeting in May and adoption in June, it would save an extra adoption meeting in June if the public hearing was pushed to June again. That is because the budget cannot be adopted at the public hearing and that at least seven days have to elapse after the public hearing before adoption.

Expenditure of Approved Funding for Little League

At the March 8 meeting Council approved a \$5,000 allotment to Chilhowie Little League to make feasible field improvements before the start of the season. You have in your agenda packet a breakdown of those costs provided by Accounting Clerk / Human Resources Felicia Eller who coordinates our recreation efforts.

As you can see the Town money was spent as directed by Council for the Little League. To insure that the Town and Little League were on the same on each expenditure we put language on each invoice, to be signed by the president, that this is how the Little League wants to spend the \$5,000 allotment.

Financing Bids on Fire and Emergency Medical Services (EMS)

You have in your agenda packet a bid package for the financing of the Fire and EMS Equipment included in the 2017-2018 budget. The equipment includes an inflatable rescue boat, motor and transport trailer; and five gas meters with calibration equipment.

The \$49,000 principal includes requests for bids for five years with no penalty for early pay-off. The bid will be advertised in the Smyth County News, a paper of general circulation as defined by law, on April 7 and April 14. The bid package was also mailed directly to the three Chilhowie banks, namely BB&T, Bank of Chilhowie and New People's Bank. Deadline for submittal is April 26. The results of the bid will be presented to Council at its May 10 meeting.

Downtown Revitalization Project

You have in your agenda packet a letter of March 20 to AECOM containing the signed Norfolk Southern contract, \$7,000 check and certificate of insurance. This application permit is for the bore under the railroad tracks from the Berry's parking lot to near the Chilhowie First Baptist Church on Railroad Avenue for the storm water drain from Main Street. The \$7,000 consists of \$6,000 for the permit fee and \$1,000 for the liability insurance. Attorney Paul Cassell has looked at the contract. AECOM states the permit should be turned around in about four weeks. At this writing we have not received the permit back but expect it in the near future.

A pre bid meeting on the demolition, streetscape and façade is scheduled by Hurt and Proffitt (HP) on April 12 at 10:00 and 1:00, respectively. Bids are due on the project on May 1 at 2:00 and 3:00, respectively. Attorney Paul Cassell has prepared a contract for the Superior demolition that will be reported to Council on May 10.

Notice of Advertisement of Franchise for Electric Power and Transmission

You have in your agenda packet information regarding a franchise for electric power. The last time a formal franchise was done by the Town was in November, 1984, as discovered by Marlene Henderson. American Electric Power has approached us on doing another one.

If approved by Council the notice will be advertised twice in April and the public hearing will be held at the May 10 meeting. Paul Cassell has looked at the documents.

Meetings with Washington County on Fire and Emergency Medical Service (EMS) Funding

Fire Captain Randy Sturgill and I appeared before the Washington County Board of Supervisors on March 20 and requested \$13,784 in funding for 2018-19, which is Washington County's propositional amount based on 26 calls in calendar year 2017. We were well received by the Board and staff and fielded several questions regarding the request.

On March 28 Fire Chief David Haynes and I met with County Administrator Jason Berry and E-911 Coordinator Tim Estes. In that meeting they produced a map of Washington County, which we have attached for you. The color highlight area is the sections of Washington County where most, or all of the Town's calls have been answered. They are going to put together a Memorandum of Understanding (MOU) between the Town and Washington County on the Town answering calls to that area, and their department in Glade Spring and Damascus will be relieved of that responsibility. A dollar amount will be allocated to the Town for this additional responsibility. Mr. Estes and Chief Haynes will be putting this MOU together, and after Mr. Berry and I have reviewed it, it will be presented to both the Town Council and Board of Supervisors for approval.

Meetings with Smyth Joint E-911 Committee (Committee)

We have had several meetings with the Committee the last several months. The latest was on April 4, which was attended by Chief David Haynes, Assistant Chief Brandon Moore and me.

At that meeting a variety of members from all across the county attended including those listed on the "Committee Organization III. A." of the "Joint E-911 Agreement" that I have provided you. The agreement was signed by all four political subdivisions in late 2015 and early 2018.

The County had asked for a cost sharing administrative agreement in 2016 to operate the E-911 Center. The three Towns disagreed with this approach, but did agree to give a small portion of each Town's Communication Tax that is designated for E-911. For the Town's portion that amount equals to only about \$3,000 per year.

In the past several meetings the County has discussed the needed upgrades in the E-911 Center, and the high cost of these improvements. They were asked to come up with a list over several fiscal years. On April 4 the County produced that document entitled "Capital Outlay 5yr Plan" (but it appears to me to be for ten fiscal years). We have attached a copy of that document. As I read the document it listed a balance of \$301,056 needed for fiscal year 2018-19.

Two funds formulas were produced for meeting this match. They are handwritten on the first sheet of the document. Marion suggested the first with the county taking 76.2% of requirement. Their logic was that we are all County citizens and Towns population would reflect an "extra" amount and put less financial pressure on the Towns. For the Town of Chilhowie's part 4.8% would equate to approximately \$14,451.

The argument can be made that the County should pay for all capital improvements, since we too are citizens of the County. The Towns made the argument successfully that we should not have to bear proportional administrative cost as discussed in the third paragraph. However, capital improvement costs could be considered another matter. If pressed I think we could be forced to participate in this cost by the voting membership of the Committee; and, we obviously cannot afford to operate our own E-911 system. The viable operation of the E-911 Center is as a vital component of any service local government can offer, and without exaggeration is often life and death. If we can come to an agreement on an equitable formula I think the Towns should participate.

Virginia Municipal League Insurance Program (VMLIP) Liability Coverage

You have in your agenda packet a March 23 letter to Karen Nuckols of the VMLIP regarding the Town's liability insurance on applying sludge on fields in the Carlock Creek area. The policy is required and is for \$2,000,000 in coverage. The premium is \$5,000.

Smyth County Chamber of Commerce Spring Clean-up

You also have in your agenda packet a flyer announcing "Earth Day Spring Clean-Up" in the three towns on April 25 from 3:30 to 6:00. I don't know any more details at this writing but will forward that information when received. Volunteers will be welcomed.

Respectfully Submitted,

John E. B. Clark, Jr.
Town Manager

