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Building Official: Randy Sturgill

Town Manager's Report to Mayor and Town Council October 11, 2018

Formulation of Contract with Hurt and Proffitt on Farmer's Market

I have been working with Craig Barbrow of Rural Development (RD) and Dennis Amos of Hurt and Proffitt (H&P) on formulating the contract between the Town and H&P for the farmer's market building. We have had several conversations and email exchanges the last several weeks and I think we are on the cusp of formulating the contract. As you are aware the grant given to the Town is in the amount of \$232, 280, and as stated before, is the largest grant ever given to a locality in the Commonwealth since the Rural Business Development Grant was initiated in the 1990's.

The base contract(s) is one that RD uses and the one the American Institute of Architects (AIA) uses. It is my understanding that the contracts are to be combined. That matter is up to Craig to decide but I offered the several things in the contract, some of which I had mentioned to Council and the Wellness and Park Committee. First, I asked that the H&P offer at least two renditions of the farmer's market for the Council to approve. Those renditions will be presented within 30 days of the contract. After that approval is completed H&P will have up to 90 days to design the project.

I have sent these editions to Craig in an email to him and Dennis Amos on October 1. I am awaiting Craig's response. He said in an earlier email that he was awaiting some other forms from RD that he would have to incorporate in the contract, I believe.

I accepted the design fee was accepted at \$31,650, as what was in the budget. Another \$5,000 was allocated for testing and geotechnical testing. I made this fee "as needed" and on an hourly basis (this will be most likely for concrete testing). Additionally the \$16,750 budgeted for grading, \$9,450 for stone, and \$3,000 for erosion control will be the Town's responsibility and H&P can design more of a building with that extra amount taken off the top

According to my figures there will be approximately \$179,700 available for the building's construction proper when taking off the three items listed above that the Town will provide in-kind, then minus the design fee, geotechnical fee, building appurtenances, mobilization and \$5,000 for grant administration through Mt. Rogers Planning District Commission.

East Lee Highway Sidewalk Project

Boring Contractors of Abingdon officially began the Project on September 24. There have been several "startup" issues that we are dealing with now. These include problems with relocating the gas line, which Atmos, Inc. had hoped to bore its entire relocated length. However, there were several areas that this could not be achieved due to high concentrations of rocks. Director of Public Works Jay Keen met with the contractors, Thompson and Litton

(T&L), and Amos and came up with a solution to those areas that could not be bored. In order to minimize the impact on the area an excavator with a very small bucket will be used in those inaccessible areas.

Additionally, there have been some problems rectifying what was on the plans with what is on the ground due to some transfer of data from a program to or from AutoCad. I believe that has been worked out or is being worked out. Also, the Virginia Department of Transportation had eliminated a commercial entrance or entrances to a lot owned by the Baptist Church on East Lee Highway between Virginia Avenue and Aker Avenue due to Federal and VDOT access requirements to arterial highways like Lee Highway. Jay Keen and T&L are attempting to get the entrance(s) restored.

As you can see in your agenda packet there is a letter from me to local Chilhowie banks asking for a \$300,000 Line of Credit for a 90 day period, as approved by Council to solicit in September. As Clerk Treasurer Marlene Henderson and I explained, and the letter elaborates, there will be at least two multi tens of thousands of dollars in pay requests that we will have to front totally before we get reimbursed 80% by VDOT two to three weeks later. While this is not the case with payment request Number 11, which is for only \$15,822.52 as you can see, it will be the case with pay requests in October and November, we anticipate.

We do not have the results of this bid at this writing since the bids are due on Wednesday, October 10 at 2:00. Marlene Henderson will have these bids and present the low bid to Council on October 11 and make her recommendation.

Closing of \$1,852,000 Rural Development (RD) Loan

Marlene Henderson had been working very diligently on getting all the information together on the closing the RD loan on the Mill Creek Regional Water Treatment Plant. The other \$1,852,000 funding package is grant. Bond Counsel Carter Brothers of Spillman, Thomas and Battle presented a variety of documents that had to signed and executed by the Town. Mayor Gary Heninger signed them on behalf of the Town. Town Attorney Paul Cassell did the title opinion.

The loan was closed on October 4 at 11:00. The Bank of Marion, who provided the interim financing, was paid off. The rate on the 40 year loan is 2.375%. As we discussed at the last budget cycle this spring, and approved by Council, we will not start making payments on the loan until November of 2020. The total monthly payment will be \$6,186, with the Town paying \$3,464.16 and the Washington County Service Authority (WCSA) \$2,721.84 (56% to 44%).

Before the Town starts the payments two interest payments will be made in October of 2019 and October 2020. Funds in the budget package have been allocated for this purpose.

Downtown Revitalization Project

The Downtown Revitalization Project continues to move forward. In addition to the \$64,420.25 remittance request there are two change orders that will be submitted for approval. The first is for \$1,050 for the grate over the outlet of the 48inch pipe draining Main Street at the Recreation Park. The

second is for a bore underneath a building to relieve flooding on the East Lee Highway side of Main Street.

Regarding Change Order Number 1, this item came out of the Downtown Management Team meeting in August. As you can see by the attachment, the grill will be of #6 bar, bolted to the outlet, and will be on twelve inch centers. It can be removed from the pipe if needed.

Regarding the Change Order 2, I do not have the exact pricing at this writing but it is a very important one. We have been talking about this flooding problem with two of the property owners for a while, and this problem has been occurring for years. Flooding is occurring from Route 11, East Lee Highway, and from the north façade of buildings that affects at least three properties. Two two inch drains help take the water from the buildings area to

the parking lot between the old Bank of Chilhowie and White Top Road but is ineffective during high rains due to at least one two inch pipe having collapsed.

Working with Jay Keen, Project Manager Dennis Amos and a building owner, a solution has been found to address this problem. A bore will be made under a building from the Main Street side and go under the building, a distance of about 80 feet from the main drainage line in Main Street. At the bore's northern terminus a property owner has agreed to build a drainage basin to catch the runoff water from the north side of the building. We feel confident that will solve or greatly mitigate this flooding problem. Angela Wolfe of Mt. Rogers PDC and I have gotten permission from the Department of Housing and Community Development to use their funding for this change order.

Regarding the facades, as you know we have bids these out twice with no bidders submitting. As a solution we are planning to bid out smaller blocks of facades and stay in the \$25,000 range for each segment so the contractors can avoid bonding requirements. We hope to bid these projects out this winter for the work to be done late winter, 2019.

Regarding the overhead utilities, we met with a contractor with Century Link on September 25. He is going to give us an exact price on the consolidation. At this writing we have not received the price but anticipate getting it any day. If this consolidation can be afforded, it will also serve to get many of these lines out of the way of contractors who may be bidding the facades this winter and making that project more attractive.

Interviews for Firms Additional Work at Water Treatment Plant

As was discussed at the last Council meeting the Town and Washington County Service Authority (WCSA) Steering Committee recommended that solicitation for engineering services be done for the remaining work at the water treatment plant. This work involved security and safety, on site water storage tank improvements, control and process analysis, etc.

I met with the WCSA and Board and we interviewed three firms - Thompson and Litton of Wise, Bennett and Associates of Blacksburg and WRA of Blacksburg on September 18 and 19. The committee voted to offer WRA the job and contract negotiations are now on-going. WRA personnel met with our staff and

WCSA staff at the plant on October 2. We will have a contract to present Council most likely at the November meeting.

Respectfully Submitted,

John E. B. Clark, Jr.
Town Manager



“PROVIDING SERVICE SINCE 1913 TO THE CITIZENS
OF THE TOWN OF CHILHOWIE AND OF SMYTH AND WASHINGTON COUNTIES.”

