

**Virginia:** At the continued meeting of the Council of the Town of Chilhowie held at the Municipal Building, April 25, 2019 at 6:15 p.m.

**Present:** Honorable Gary L. Heninger, Mayor presiding; Councilors Donna S. Blevins, Billy L. Clear, Alan W. Counts, Emily Dungan, F. Brent Foster and Lewis W. Shortt, Jr.

**Absent:** None

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

**Report on Farmer's Market Bid and Funding:**

John Clark, Town Manager, reported a letter was composed to Mr. Craig Barbrow, Area Director for the United States Department of Agriculture, stating that on April 25, 2019 Chilhowie Town Council approved the low bid of \$225,000 from Taylor Construction for the Farmer's Market structure plus \$4,000 for alternative number 2 for an additional two inches of building slab from four inches to six inches. Approval is contingent upon the availability of additional funding.

Motion by Brent Foster, second by Bill Clear Council accepts the low bidder from Taylor Construction in the amount of \$229,000 contingent upon the availability of additional funding. The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Aye	Emily Dungan	Aye
Brent Foster	Aye	Lewis Shortt	Aye

**Formulation of 2019-2020 Budget Proposal:**

The water plant operation and maintenance expenditure is expected to increase to \$187,000 due to the new water treatment plant requiring an operator seven days a week for eight hours per day. The Town is required by Washington County Service Authority to set aside \$50,000 per year for future replacement of the Mill Creek Water Treatment Plant. Within the budget is proposed to raise water and sewer rates by 9%. Referencing the Draper Aden Associates Water and Wastewater summary the Town is below average for water and sewer rates. The first interest payment on the loan for the Mill Creek Water Treatment Plant will be due October 2019. The interest payment is not included in the budget; the payment should be made from loan funds.

Meals tax revenue is projected to increase by 4.1%. The current meals tax rate is 6.5%. Lodging tax is projected to be at least \$5,000 due to the opening of Motel 6. Fines are expected to

increase to \$105,000 based on year to date numbers on the I-81 Highway Safety Initiative. The budget proposal includes \$62,250 transfer from reserves to general fund to support the purchase with grant assistance for a new ambulance. The Rescue Squad Assistance Grant is a 50% grant and 50% match. The Town's total match is \$124,500.00.

Garbage fees are anticipated to increase to \$122,000, and the expected expenditure is \$135,000 for a variance of \$13,000. A \$2 increase per garbage can was implemented in the 2017-2018 Budget. Health Insurance rates are expected to decrease by 10%. The current fiscal year the rates increased and the Town chose to pay 83% on the premium instead of 80% to help the employees with the increase. With the rate decreasing this upcoming fiscal year the Town will decrease the premium rate back to 80% with the employee paying 20% of the premium. The budget includes a 1.75% cost-of-living increase for the employee to help cover their responsibility bringing the employee portion of 20%.

Administrative expenditures include \$2,000 to upgrade the Town's website. The expenditures for Community Development are estimated to be \$46,228. Smyth County Chamber of Commerce requested their per capita amount be increased by \$0.25 to \$2.25. The Smyth County 911 Share is estimated at \$3,000 which is the Town's share of the cost for the 911 system. Within the proposed budget is \$5,810 for a vehicle for the Town Manager through Enterprise Lease.

Councilwoman Emily Dungan left the meeting at 7:03 p.m.

Wellness and Parks wage expenditures is estimated at \$20,275 which includes the part time Recreation Director and Special Events Coordinator and a stipend for Directors of Football, Cheerleading, and Basketball. Funds allocated for Recreation Sports is \$15,000. The proposed budget includes \$17,231 for the payment to the Bank of Marion for the Tourism Trail. This is the third year of five years for the life of the loan. Capital Outlay budget for Wellness and Parks includes \$5,000 for new playground equipment at the Recreation Park. The budget also includes \$5,000 for a fishing pier at the Recreation Park as part of the river bank restoration project. Buildings and Grounds capital outlay expenditures include \$55,950 for paving, sidewalk repair/replacement, HVAC replacement and replacing the stage roof at the Recreation Park. The budget includes \$1,000 for Pine Avenue railroad crossing per the agreement with Norfolk Southern Railroad.

Police Department expenditures include an increase in overtime from \$80,000 to \$115,000. Concerning officer hiring and retention the Police Department requested a wage increase for five officers in the amount of \$5,833.33 per officer for a total wage increase of \$35,000 to create competitive wages. Police overtime wages were not included in the current wages presented. The Officers are also allowed to drive their police vehicles home. It was suggested to possibly award a percentage raise to the three lower officer tiers such as the position of a patrolman. The Officers are involved in the Pay Classification Plan to earn a 2.5% merit raise each year.

The budget proposal includes \$5,553 for payment for the radio system. The Police Department is requesting two police vehicles at the cost of \$18,000 to be leased through the Enterprise Lease Program.

Under Virginia Department of Transportation Expense and Community Development Block Grant expenditures; the budget includes \$32,379.00 for the second of seven years of payments. Water and Sewer expenditures include \$24,000 (\$12,000 from water and \$12,000 from sewer) budgeted for a dump truck purchase for a four year loan or a possible lease. Water capital outlay includes \$15,000 for two pumps for Widener Spring, \$12,000 for two pumps for Widener Spring, \$6,500 for one spare pump for Reid's Store, \$15,000 for line replacement in West End of Town and \$1,800 for an air compressor. The sewer capital outlay budget includes \$20,000 for bearing repair at the sewer plant, \$13,500 SCADA shed for the lab and \$15,000 for I&I search and repair. Sewer operations proposed budget includes \$18,500 for repairs to the vector truck, and \$16,000 for sludge handling.

The Building Department revenue is projected to be \$5,000. Expenditures for the Building Department are expected to decrease by \$1,400 due to the Building Officials having completed the required testing to become certified. There are funds included in the budget for conferences and travel.

The Fire and EMS budget expenditures include \$6,400 for stair chairs. The debt service includes \$21,200 for the yearly lease payment, third of seven years of the life of the loan, for gas meters, rescue boats and ambulance stretcher. EMS revenue is estimated to be \$320,000; Smyth County Board of Supervisors contribution for fiscal year 2019-2020 is estimated to be \$78,000. The Fire and EMS proposed budget is only for the present service area. The Fire Department requested within the budget a \$0.50 increase in wages for part time employees. The Department has applied for a Forestry Department Grant and matching funds of \$1,500 is included in the budget under Capital Outlay. The Fire Department requested \$1 be added to the \$2 Capital Outlay fee included in the water bill. The extra \$1 would be set aside for fire protection. There are numerous fire hydrants that require replacing which would be a long term project.

The proposed budget includes the Pay Classification Plan that gives employees an opportunity for a merit increase of wages of 2.5% annually. The pay and classification grid system has been in effect since January 2015.

More information was requested concerning the garbage rate increase to be presented during the May 2019 meeting. Council was requested to review the budget information presented and revisit the matter during the May 2019 regular scheduled Council meeting.

Motion by Donna Blevins, second by Brent Foster Council adjourns this meeting at 9:01 p.m.  
The motion was approved with following recorded vote:

Donna Blevins	Aye	Bill Clear	Aye
Alan Counts	Aye	Emily Dungan	Absent
Brent Foster	Aye	Lewis Shortt	Aye

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Gary L. Heninger Mayor

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Marlene L. Henderson, MMC Clerk