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TOWN OF CHILHOWIE

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Fire Chief: C. David Haynes
Building Official: Randy Sturgill
Director-Recreation/Special Events: Ron Cahill
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Town Manager's Report to Mayor and Town Council April 8, 2021

Public Hearing on Joining Mt. Rogers Cigarette Board

You have in your agenda packet information regarding the Town joining a consortium of the localities in the Mt. Rogers Planning District Commission (PDC) in forming a Cigarette Board. The notice was advertised on March 24 and March 31 following Council action to proceed in March. Every locality, including towns, in the six county and two city area of the PDC will be considering joining.

The General Assembly passed the legislation that allows this type of consortium after requests from the Virginia Association of Counties (and perhaps the Virginia Municipal League). Before the legislation only towns and cities could have the tax. An exception was a group of counties in Northern Virginia. Now, as a result of the new law, all counties of the Commonwealth can levy this tax, and our coming together with town and cities in their particular planning districts.

As I understand it a person will be hired by the PDC to monitor the cigarette stamps in all member localities and be paid by a by an administrative fee on proceeds from the cigarette tax. Currently the Town is charging 8 cents a pack and that is generating about \$50,000 per year on current projections (we budgeted \$55,000 for this fiscal year 2020-21).

If the council approves joining the consortium efforts will be made to charge a uniform tax in each locality, which will be discourage customers going to another locality for a cheaper price. For retailers, the advantage would be there would be only one stamp through the PDC, not the myriad of prices and stamps now.

Also in your packet is a draft of agreement showing some localities as an example, I assume. If the Council elects to become part of this group we would sign on. As the proposed ordinance states, the agreement can be executed if only two member localities sign on. In Smyth County alone, based on discussion at the Smyth 12 meetings that our attending Council members can attest, all three towns plus the county are very interested in joining.

If Council voted to join the Board the rate will be set during the 2020-21 budget process, I assume. Executive Director Aaron Sizemore has told the Smyth 12 Group that it would be until January, 2022 before the Board could become fully functional and an employee hired. If the Town's rate would change it would be best to budget for only six months in the 2021-22 budget.

Formulation of 2021-22 Budget Proposal

Clerk Treasurer Marlen Henderson and I have about finished the budget draft for fiscal year 2021-22, after submissions by department heads and community groups. We will be soon preparing for a budget letter to Council and send the full packet out. Our goal is to send it out the latter part of the week of April 5, and no later than the first of the week of April 12.

In the past we have had one or two Continued Special Council Meeting to go over the budget in April. We are in position to do that again and we will ask Council to continue the April 8 regular meeting to a selected date for a Continued Meeting in mid-April, with all Department Heads. That could put us in a position to have the 2021-22 Budget Public Hearing in May and adopt the budget at the June Regular Meeting. The Code of Virginia requires at least seven days duration between the Public Hearing and adoption. Most years we were positioned to have the Public Hearing at the June Regular Meeting and adoption at a Continued Meeting seven days later in June. Depending on how the Continued Meeting or meetings go in April, one of these scenarios will be utilized.

Reissuance of the Regional Sewer Treatment Plant's Virginia Pollutant Discharge Elimination Standards (VPDES) Permit

You have in your agenda packet a March 25 letter from Mr. Fred Wyatt of the Department of Environmental Quality (DEQ) on the advertising requirements on the reissuance of the Town's Regional Sewer treatment plant VDPDES Permit. Director of Public Works Jay Keen and Sewer Treatment Plant Operator Luke Lowe has been working on this for several weeks.

The permit is issued every five years, I believe. It covers all segments of the operation of the plant and the sludge application. The full permit is about 70 pages and is not included in your agenda packet. If you would like a full copy let me know and we will be happy to make you a copy.

As you can see by the document entitled "Public Notice – Environment Permit" the public comment period is 30 days from April 3, 2021. Comments are to be directed Mr. Wyatt at DEQ. The notice is being published in the Smyth County News on April 3 and April 10. After the 30 day comment period the permit can be reissued on May 3, if a public hearing is not required. The sludge cannot be applied to our secured farms until the permit is issued. That is good timing in that in all likelihood we can apply the sludge before corn planting begins. Corn planting is normally begins in mid-May.

Town's Annual Drinking Water Quality Report

You also have in your agenda the "Annual Drinking Water Report" of the Town of Chilhowie. This report is required by the Department of Health to be done annually.

As the report shows, the Town had no violation in 2020. As a result we only had to put notices out in public buildings referencing the report's location on our web page. As you can see it is listed under www.chilhowie.org. We also referenced the report being on-line in our utility bills mailed out the

end of March.

Extensions on Audit Requirements and Timeline on Community Development Block Grant (CDBG)
Downtown Revitalization Project

You have in your agenda packet two letter regarding extensions relating to our Downtown Revitalization Project Community Development Block Grant (CDBG) completion date. One is requesting a project extension request, and the other relating to the 2019-20 audit.

Regarding the grant extension request, we sent a letter to the Department of Housing and Community Development (DHCD) last month, which was in your March agenda packet, outlining our extension request. The letter stated that the demolition and street scape portion of the project went very well and ahead of schedule, but the delays were a result of having trouble finding a contractor for the facades portion of the project. The letter stated we bid the facades project three times, with no responders the first two times. As you can see by DHCD Deputy Director Jay Grant's letter of March 19 our extension request was granted to March 31, 2022.

Regarding the 2019-20 audit, our letter in March about the status of that audit, also in the March packet, stated the auditors were working on it and we expected in down the end of June. As you can see by Mr. Grant's March 18 letter they agreed to the June 30, 2021 submission date.

Respectfully submitted,

John E. B. Clark, Jr.
Town Manager