

The Richlands Town Council held the regular monthly meeting in the Richlands Town Council Chambers on Tuesday, June 9, 2015 at 7:30 pm with the following present:

Mayor: Janis White

Town Manager: Tim Taylor

Town Attorney: Brad Ratliff

Town Clerk: Kelly Goodman

Council Members: Joe McCracken, Larry Johnson, Doug Ratliff, Mary Ann Strong, Frances Meadows and Rod Cury.

Mayor White called the meeting to order. Prior to the public hearing a closed session meeting was held at 6:30 pm. Each Council member affirmed that section 2.2 3711A-5 was the only business discussed in the meeting.

Mayor White gave the invocation and led the Pledge of Allegiance.

Mayor White asked for any unscheduled public comments. There were no unscheduled public comments. She also asked if there were any deletions or additions. There were no deletions or additions. Mayor White asked for a Motion to approve the Agenda. Rod Cury made the Motion to Approve the Agenda, Frances Meadows seconded the Motion. Vote, all in favor, 6/0. Motion carried.

Mayor White asked if there were any corrections, additions or deletions to the Minutes from the meeting on May 12, 2015. Tim Taylor stated there was a correction on page 10 of the Minutes. The statement should read, that there was a \$5000.00 reduction to get to a \$25,000.00 price. Mayor White asked for a Motion to correct the Minutes, Mary Ann Strong made the Motion to approve the Minutes as amended, Motion was seconded by Rod Cury. Vote, all in favor, 6/0. Motion carried.

Scheduled Public Comments:

Dr. Glen Harrison – Chairman -Teen Venture Center

Robert Jesse – Assistant Director - Teen Venture Center

Dr. Harrison stated that Laura Brown, Director at the Teen Venture Center, was not able to attend tonight. Robert Jesse, Assistance Director, will speak tonight on the community service project the kids from the Teen Venture Center worked on during the year. He stated in order to be a member at the Teen Venture Center the youth are charged \$30.00 per year, if the youth receives free or reduced lunch through Tazewell County Public Schools they are not charged a fee. To account for this, all members are required to do 2 community service projects throughout the year. The projects are big projects not smaller ones. He stated that in the fall they participated in a cleanup project with the sheriff's office, they helped cleanup 1 of 19 illegal dump sites in Tazewell County down in Red Root Ridge. He also stated that they cleaned up 50 bags of trash, they had a huge turnout of lease 20 kids to participate in the project. The Center also sponsored a family for Thanksgiving, the kids participated in a food drive at the Teen Venture Center and had a huge turnout there also. He stated that on a daily basis he has 20-25 kids who participate in things like that, every day. He also stated that the Center's annual membership is in the hundreds, they are hoping to get at least 200 this year, they are expecting it. This coming spring they are hoping to do another community service project within the town limits, they are also trying to find someone who will sponsor them with t-shirts that displays Teen Venture to give to all the kids while they do the cleanup. He stated that was some of their programs and that is what the kids get involved in to give back to their community.

Dr. Harrison thanked Robert and stated that at the last meeting, the question he left the Council with was about helping with the 84 percent who can't pay the \$30 membership fee. He stated they have to collect that money, the money doesn't fall out of the sky. That pays for their insurance for the year, it has to be done. He also stated at the last minute that he talked about comparability between the Little League and the Teen Venture. At that time he didn't have utility numbers and it was his understanding that the utilities for the Little League is \$6,300.00 per year and for Teen Venture is it \$7,500.00 per year. He also stated from discussions it also appears that the youth basketball, youth tennis, youth soccer and youth wrestling and all that use town facilities also don't pay anything for utilities. As far as he can tell the only youth group that's ever been charged utilities is the skaters at Teen Venture. He stated that he

was curious about what differentiates the Teen Venture Center's youth group from any other youth group that uses the town's facilities and town property and doesn't have to pay for utilities.

Larry Johnson asked was this something that the Teen Venture Center worked out when this first came about as far as the utilities are concerned. Dr. Harrison stated that no, it's actually gone back and forth. The first 10 years the town paid the utilities and then they gave the Teen Venture Center a cash amount for several years then it was cut out of the budget. They were getting \$5,000.00 per year from the town then that was cut from the budget. The Chamber of Commerce was cut, pretty much everything that year was cut from the budget and the Teen Venture Center was part of that. He also stated it was a tradeoff, they went from not paying utilities to paying the utilities but receiving a cash amount from the town and now they are not receiving anything. That is where they are right now and at this point they are running out of money. Dr. Harrison said they are looking at ways to save money and helping pay the utilities and a way to save money and the Teen Center.

Larry Johnson asked how long the Teen Venture Center would last if they didn't have to pay utilities given the amount of money they have right now. Dr. Harrison passed out a handout for Council to look at, he stated that the Teen Venture Center did not have to transfer money this month. He stated that looking at the expenses, they received \$6,000.00 in donations this month, \$1,000.00 from Kiwanis and \$5,000.00 from the hospital. He stated that the Teen Venture Center has \$18,000.00. Larry Johnson stated he has been involved with a nonprofit organization, he asked Dr. Harrison how many fundraisers does the Teen Venture Center do per year, as far as something the kids go out and take part in other than him going out and asking for money? How many do the kids actually do? He stated he was not familiar with that. Dr. Harrison stated as far as the kids, they don't do any fundraisers. He stated that they have to do that at school. Larry Johnson stated that he wasn't talking about them going from door to door asking for money, he was talking about the kids having something to generate money, i.e.: baseball tournament, a softball tournament or even a basketball tournament. Something that would help them raise money. Dr. Harrison stated that they has asked about doing a car wash at the last meeting and approval was given. They had raised money for a basketball goal and purchased it, which is on the purchase list. The Center is running out of money but they did purchase a basketball goal because the kids raised the money for it; it was approximately \$540.00.

Robert Jesse asked if he could say something. He stated that he works with the kids planning fundraiser projects such as car washes. He stated that in fact they had a meeting 2 weeks ago, he sat down with the officers. They have 5 kids that are officers and they plan the agenda that they bring to the center, at the last open meeting they had approximately 20 kids. They discussed having a fundraiser a car wash, a bake sale or something like that. The money the Center receives from fundraising goes toward trips, not utilities. Dr. Harrison stated that Robert Jesse is a part time employee with the Teen Center and a full time student, a senior at Concord College. He also stated that Robert is awesome with kids and the Teen Venture Center was absolutely lucky to have him.

Mary Ann Strong stated that it seems the Center was very blessed and that she was impressed with Robert. Dr. Harrison stated that on all fronts they were.

Doug Ratliff stated that he thinks the Teen Center does wonderful work and he is behind them. He stated that Dr. Harrison asked the difference between what the town does for the Little League and the Teen Center. He stated that it more than little League, residence of the town use it. He asked Tim Taylor who else the town provides electricity (lights) for.

Tim Taylor stated that most of those programs fall on the Recreational Department even though it's been part of that particular program, department. He stated he guessed that's why most town's provided recreational facilities for that. He asked Dr. Harrison if he would consider the Teen Center's recreational to be more of a hybrid. Does the Teen Center do more than sports?

Dr. Harrison stated the original idea was, if you look at the developmental survey that was done by Tazewell County, it showed what kids did in their off time and what they did in school. It showed that 42 percent of high school students never participated in after school activities and that's the smallest one, 60 percent never participate in community activities and 78 percent never participate in church activities. He stated that there's a pool of youth that's not being reached by the normal activities that the town provides. The center was designed specifically to provide 11 things that didn't exist in

Southwest Virginia. There's a skate park there but there is also a sound room that garage bands can practice in, a computer lab that is available for kids to do their homework, a café that's available and every other week they have a church youth minister that comes in to deliver a message and they also provide pizza for the kids. They also have a game room, an art room where an art teacher comes in and works with the kids. All of the programs are after school programs and are also available on weekends when no other service is available to these kids who don't participate in sports. He also stated that basically once you get to high school if you're not a varsity athlete there's no sports program available for you. If you're not in band there's not a music program, no art program. None of these things exist for that 42 percent which turns out which is close to the percentage of students who drop out of Richlands High School, which is 43 percent to be exact. He stated they felt like engaging these kids in the community and providing things that didn't exist in the community was a better way than providing another basketball hoop when there's basketball hoops available in every church fellowship hall, every driveway and park in town. He stated we didn't need more basketball hoops, we have plenty of them. We need things for kids who don't play basketball to engage in the community. He also stated that part of what they do was engage kids who are not otherwise engaged in the community. The other part they do is organize them like Robert stated, into a group that runs their own organization. He stated if you were to watch 15 year old kids run things, it's messy. Things don't get accomplished on time, people drop the ball. He stated if you're going to lose \$50.00 of a fundraiser on a trip to a skate park it's better to do that while you're in high school than lose \$50,000.00 when you're on town council. He also stated it's a training program to teach kids how to be leaders as well. He said that football and basketball all talk about team sports, learning to work as a team. What they train kids to do is to lead the team.

Mayor White stated that Robert Jesse would like to add something.

Robert Jesse stated that he wanted to mention the fact that a lot of the Teen Venture Center's members play soccer and baseball. One a daily bases it is more than a skate park, he knows that is what everyone sees at the door and the kids on their skates. His daily routine is that he comes in, opens the skate park but he also has to set in the computer room. The kids use the art program on the computer, they show him programs they have found and learned to operate. He has one member that can code script. He goes to the music room and works with kids. He stated that he's actually worked with 4 kids since he's been there that have recorded their own demo that he has sent out via sound studio. The center also has almost a fully functional broadcasting room, he is trying to set up a podcast. He has about 6 kids interested in that. They have a volunteer that works every Tuesday in the art room, they have a pottery room, and one of the kids is becoming very proficient on the pottery wheel. There's a kid who he has taught to play the drums in the past month and he's getting to be very good. Even though kids call it the skate park he wanted to state that they do so many other things besides skating. All the programs they have, he doesn't tell the kids what to do or how to do it, the kids come to him and ask him what they can do and they show him they know how to do it themselves and just ask for his help. They lead themselves and the center really does teach them more than team building skills. The kids are focused and energized some of them don't want to do organized sports and some of them do, some don't want to be on a team they can't lead. Some don't feel like they always fit in but they can in the pottery room, the music room and some of the things these kids can do on skates is amazing. They have professionals coming up next weekend to do a competition at the skate park and some of them are already amazed at the ability of some of the kids at the Teen Center. He also stated he is proud of all of them.

Doug Ratliff stated that he would like to say that he loves the Teen Center and he would love to back it but you stated that the town didn't back the Teen Center when in fact it does. The town provides a building, that's a big asset to the Teen Center. Dr. Harrison stated that the town leased them a derelict building, he stated they, as Teen Venture replaced all the plumbing, all the electrical, insulated it where it had never been insulated, redid all the engineering. The second floor was coming apart from the wall where the electrical department had left the window open for 15 years and all the floor joist rotted in the back and replaced everything from concrete and bricks out up to the ceiling. The one that wasn't replaced was the roof on the building. Everything else was replaced at the cost of \$960,000.00 by Teen Venture. So, the town owned a derelict building and now it has become a \$3 million dollar building leases to Teen Venture. He stated he just wanted to explain how that worked. Doug Ratliff stated he understood that but he wanted to point out that the town also pays the insurance. Mary Ann Strong stated that she thinks it amounts to about \$2,000.00 per year and the town also does not charge the Teen Center for trash collection. Doug Ratliff stated wished the town could help everybody but if the

town helped the Teen Center then what you can say to the food pantry when they come in asking for help. He also asked if the town charges the food pantry for electric service. He wanted to know what you would tell other places that asked for help. Dr. Harrison stated that the Teen Center was the only youth group on town property that has ever been charged utilities by the town, that's the difference. Joe McCracken asked if it was a private organization. Dr. Harrison stated that it was no more a private organization than Little League. He also stated that Little League is made up of members who pay dues to join Little League. The Teen Center is open to anybody in that age group can join from age 6 to 12 just like anybody who wants to join Little League. It's no more private than the basketball youth group or any other youth group, it's open to everybody except they pay for their members who can't afford to join. Larry Johnson asked if the Teen Center's utility rates were \$7,500.00 per year. Dr. Harrison stated that it was. Larry Johnson stated if you take \$7,500.00 and divided that by 12 that was \$625.00 per month. He also stated that what he remembered from the last meeting was that would equate to about a week and a half of operating, he asked Dr. Harrison if that sounded about right if you didn't have to pay the extra \$625.00 per month that would add on a week and a half of operating expenses. Dr. Harrison answered that was probably right, about a month of operating expenses. Larry Johnson stated that in reality that even if the town decided to give the \$7,500.00 it still would not help the Teen Center be able to continue on. Dr. Harrison stated that of course it would help them. Larry Johnson asked him to explain how that would help if you have \$10,000.00 in the bank then you roughly only have 3 months of money left for operating expense which you had last time. Dr. Harrison said he mentioned last time that the process they were in right now is that the Teen Center has a \$20,000.00 matching grant from the County yearly for the next 4 years. They also have an application in for a grant, they were asked to complete the application by the foundation chair. When they made that proposal and they said send a full proposal it was their impression that will most likely happen. He also stated they didn't know for certain what's going to happen but if the Teen Center gets the matching money, they don't meet until August and they won't know until then if they will stay operational until August. So, if they meet in August and they get that money then they will have a match for the county. That will give them \$40,000.00 of a \$75,000.00 year. He stated he can't run a community campaign and raise \$75,000.00 every year, that's not going to work. But, if he has \$40,000.00 he can run a \$35,000.00 campaign. If he has \$47,050.00 which is what he would have if the town paid the utilities then he would be able to run a \$30,000.00 campaign. You can't start from zero and get any contribution, you have to have somewhere down the line in order to start the campaign and the community will actually succeed. The percentage that seems to work is 2/3, if you have 2/3 of your campaign done then you can open a community campaign and expect success from it. He also stated that \$40,000.00 is not 2/3, \$50,000.00 is 2/3; \$47,050.00 put the Teen Center very close to a community campaign that's sustainable for the next 3 years, that's what they're trying to do. He also stated that he's thought about this for the last 15 years, he said he realized times are tight but the town's budget is \$15 million or right at, they are asking for \$7,500.00 which he stated he figured it out while setting down. It's 1/250 of 1 percent of the town budget. He stated surely there was that much "fat" in the \$15 million budget. Doug Ratliff stated that he promised there was not any "fat" in the budget, they're hoping to break even. Tim Taylor stated that the town will lose \$500,000.00 in the electrical budget next year because the town is doing the Phase In Project. They will lose that, he knows that people want to know how the town going to sustain that. The answer is the town saved money to cover that for a couple of years but the town lost \$700,000.00 last year in the Polar Vortex that really crippled the budget from a long term sustainability. He stated the town has made purchases for the Teen Center every year; the town paid everything, all utilities during construction which was a number of years, 8 years or so. There was quite a bit spent, concrete and things like that. The town didn't tabulate everything that was spent but it was quite a bit. Dr. Harrison stated that the concrete came from a grant for renewing the town, which was the reason the town received that grant. Tim Taylor stated that he wasn't trying to argue but the grant was never counted because the Teen Center wasn't completed at the time but it was good to go in with it. Dr. Harrison stated it was a good start, you had to be one in there. Tim Taylor stated the program is good, he stated he wasn't arguing about that. When you get over in the budget, his area, it's very, very difficult. Part of the equity is when you get down into the pinching pennies it's who or where does it come from. He stated he doesn't understand why the county wants to hold the town hostage on a \$20,000.00 matching grant when it's a county wide program which is geared toward more of a social program instead of recreation. Since the town is picking up the recreational for the people of the county he could argue with you to the county that maybe they could cover that as additional money instead of trying to hold the Teen Center hostage for the town to put more money toward because they are county residents also. Tim Taylor stated he would argue that with the county. Dr. Harrison stated the only way they could get the \$20,000.00 was to ask for matching, that was the only way they could

get it into the budget. Doug Ratliff stated the reason the county told him that was because they knew the town couldn't match it. That's exactly why they told you that. They knew there was no way the town could come up with \$20,000.00 to match. He stated he would tell anyone at the county that. He also stated that the town's budget is very tight. Dr. Harrison stated when they originally asked for it they were applying for the 21<sup>st</sup> Century Education Grant that was going to match the county's \$20,000.00. When that fell through and they didn't get the grant, the county told them they could match with anyone, the first place they came to was the town. They were also looking at the Tobacco Grant and probably 3 or 4 different foundations they applied to. The best one they have right now is the one that they are working on, he stated that he thinks they have a really good shot at getting this one. But, that only get them to the 40 yard line so to speak, he would really like to get to the 50 yard line to make a sustainable campaign. He would hate to see a million dollar facility and a program for the kids in this town go down the tubes over the electricity bill. Tim Taylor stated when you put the electricity towards the utilities becomes an even bigger inequity, then the burden just lies on the customers in town. That's where it should be a tax based solution not a utility based solution because there's only a few. For instance, you live out in the county you don't have to pay that, it won't come out of your pocket or anyone else who lives on the APCO (AEP) system that is in town. He stated that just paying it from the electrical fund, he stated he knows that Dr. Harrison is not asking that, if it comes from the electrical it becomes inequitable across the broad base of the tax base. It wouldn't be an issue if we were wealthy, it's not like it used to be. Dr. Harrison said they would be happy with \$7,500.00 coming out of the budget. Tim Taylor stated it would have to come from taxes to be equitable which is even worse than utilities. Doug Ratliff stated that he understands how Dr. Harrison thinks and he stated that he honestly thinks that Dr. Harrison does tremendous work at the Teen Center. His only dilemma is there's not \$7,000.00 in the budget, even on the governmental side the town will probably go in the hole this year with the budget. He also stated that even if the town had \$7,000.00 when Moon Mullins or the other charities come in, which the Food Pantry is just as good as the Teen Center and does good work, what does the town tell them? Dr. Harrison stated that the Food Pantry is not on town property. Doug Ratliff stated that being on town property is a favor, the town could use the property for something else, and the town is giving it to you even though you remodel the building that is something the town is giving you. He also stated the town didn't ask him to go out and raise a million and a half dollars to remodel the building, we gave it to you and stated do what you can with it. He stated that was a gift, that the Teen Center wants to hold the town hostage because they want more because the town did let them use the land and building, he stated that didn't make sense to him. He stated that the Teen Center should be more grateful. He stated he understands his dilemma but doesn't understand his thinking. He stated he loves to give to charity and wished he could give to everyone. But, if someone else came in, what would the town tell them? If you give to one person, you have to give it to someone else, they'd be people lined out the door and pretty soon taxes will be raised. He stated he was not going to raise taxes and that is the only way the town could sustain, he stated that was feeling on the subject. Dr. Harrison stated that he didn't think taxes should be raised on the backs on the kids, the kids are paying. Doug Ratliff wanted to know how you tell people that \$10.00 isn't a lot of money when you're living on a fixed income. He stated that Dr. Harrison had money and that he has a little money and that some people can do very well. He also stated he has people that he worries about in the community that live on a fixed income and \$10.00 is tremendous to them. They watch what milk they buy, he stated that ¾ of this community is on a fixed income. Dr. Harrison stated that 82 percent of the kids at don't have \$10.00 that's why they're on scholarship. Doug Ratliff stated that \$10.00 would mean a lot to those on a fixed income, Dr. Harrison stated that he understood. Doug Ratliff stated that he thinks sometimes we forget what \$10.00 is, it's a lot to most people but maybe not to them.

Joe McCracken stated that due to the increase this year that everyone was going to pay more for electrical service, which everyone was going to see if and feel it. He stated that he agrees with Doug Ratliff, the town does not have the money go give to the Teen Center. He also stated that Dr. Harrison was doing a wonderful job. Dr. Harrison stated that the town might have the whole thing is 3 months, that it might belong to the town; then what are you going to do, give it to the rec department or turn it into condos? Fire the kids, then what are you going to do? He also stated that the town knows the Teen Center's budget. Joe McCracken stated that if they had it to give they would give it, but the money is just not there. He stated that truthfully and honestly the town does not have it. Dr. Harrison replied okay and thanked everyone for their time. Rod Cury thanked Dr. Harrison; Mary Ann Strong also thank Robert Jesse for his time and for being at the meeting.

## Council Member Reports:

Rod Cury : He stated that he had already communicated all his concern reports to Tim Taylor and they have been taken care of; he thanked him for doing that. He also wanted to know if there was an update on Codification and if there was any word from Sam Tuttle.

Brad Ratliff stated he could speak on the codification. He said all the documents have been provided, he is waiting to hear back. He gave the last of the ordinances they asked for, they did a review and came back and said that is was a certain group of ordinances. He stated he has those on CD, he hopes to have them this month because the E-Citation process is going to go into effect and they need all of that to come together this month. He will keep the whole council posted. He stated he was really hopeful to get everything finished by the end of the month.

Rod Cury wanted to know, to make sure he understood, the codified ordinances should be completed by the end of the month. Brad Ratliff stated that was his goal, he's is sort of pushing those folks. He stated he's dealing with a lady (Felicia). Rod Cury stated he had received emails from her also but he has forwarded them to the Town. Brad Ratliff stated she was a very nice lady and she's been very helpful. She has stated that they would do their very level best to get it to him. He also stated the real drop dead issue is the E-Citation piece, they need all of that to come together. Rod Cury stated that was encouraging.

Tim Taylor stated that as far as the Community Development was concerned they just don't have time to interact with them right now. He said that he hasn't encouraged any meetings until after the budget is adopted. Rod Cury stated he just wanted to know what the status of that was, Tim Taylor stated he has not had any conversation with them at all.

Rod Cury said that he was not going to set a meeting for the Planning Commission unless they need to have one right now. That will be on hold right now unless a need comes up and that would be communicated between management and council.

Joe McCracken: Wanted to thank the town crews for doing a wonderful job while being shorthanded, they do a top notch job. He wanted to personally thank the town and the employees for working diligently and trying to correct everything. He also has a list of contacts that have called him, he stated that he does not solicit or contact people, the people are contacting him. On 505 Virginia Avenue, there are trees in the power lines. He stated the town has cut some trees but there are still more that need to be cut down. He stated that some of the land owners have given permission to cut the trees out of the power lines. He asked Kevin Blankenship if he knew where he was talking about. Kevin stated if it was the same residence, they called and talked to him about a tree and actually when you go up Virginia Avenue there's a row of trees on the left and a row of trees on the right. On the right side are power lines, which is the town power. If it is the same gentleman that called and met with him earlier, the lines he was referring to are on the left which is all Verizon's lines, they would need to contact Verizon. Kevin Blankenship stated that there are 2 set of lines up there but he would be glad to check. Joe McCracken asked him if he would, Kevin Blankenship stated yes he would. Joe McCracken stated that the town has cut some trees at the crest of the hill, on the same side; the owner was wondering why the town didn't come on down and cut the rest of the trees. Kevin Blankenship stated that the way that feeds is up so far to where it splits, at the top it crosses and they're all on one set of lines; from there he has cut a lot of trees. Joe McCracken asked Kevin Blankenship if he could research this situation, he stated he would and after the meeting Joe McCracken could give them the name of the person to contact. He stated that is was probably the same person. On 210 Hill Creek Road, the trees on the vacant property are overreaching into the neighbor's property. The hill is coming off, also the house is vacant. They do keep the yard mowed but there are some tress that are reaching over into the neighbor's yard. It is a hazard to their property and they need to find out who the owner of the property is and ask them to keep it maintained. The trees are dead, they need trimmed or removed.

Tim Taylor stated that the town has had these calls before. He stated that someone of authority would have to constitute a public nuisance, then it would become something that could give notice, an ordinance. If it's a private nuisance between two neighbors than Brad Ratliff would need to explain that. He stated that if it is considered a private nuisance than all the town could give her was a heads up. Joe McCracken stated what he would like to happen is the for the town to communicate with the

resident of the property and ask them if they would consider trimming or removing some of the trees because it is a hazard to the neighbor and the neighborhood. Brad Ratliff stated that technically that is between the two properties owners, the town shouldn't get involved. He also stated that it was a common problem with boundary lines. Joe McCracken wanted to know if a tree falls from a vacant property and causes damage to the neighbor's property, who's responsible for the damage? Brad Ratliff stated that the insurance of the vacant property owner. Tim Taylor stated there was some gray area there, if the tree is big enough to cause damages on multiple houses it may be considered a public nuisance. Brad Ratliff stated that if it was also damaging, falling in the power lines or in the right of way that it could also be considered a public nuisance. Joe McCracken stated he was just relaying messages that he's received and if they would check on that he would appreciate it. He also stated he received a complaint about the weeds on the corner of Iron and Sayers Street. Tim Taylor asked George West if the tractor is repaired and George replied no that it was not. Tim Taylor stated that they are having a hard time finding parts for the old tractor and that's the reason they are behind. Joe McCracken also had a complaint about the junk and trash in the same neighborhood from the other business over there. He stated nothing has been done over there. He also had a complaint about the wall beside of Bob Tatum's property on Front Street. It looks like the snow plow might have hit the wall when they scraped the snow. Tim Taylor stated he thinks that happened when the town pushed all the snow out for the church and the plow got into the wall. He also stated they have it scheduled to be repaired. Joe McCracken stated the grass on the entire property at Ingersoll Rand is high and needs to be cut. He has also been asked to have a written report on the collection on fire and rescue, wanted to know if he could have it by the end of the month. Brad Ratliff stated they have a meeting tomorrow morning with Tim Taylor, Sue Wade and Gordon Russ. Joe McCracken also wanted to know the status of Mr. Lester's mobile home on Hill Creek. Tim Taylor stated that was previously approved and Mr. Lester finally received his permit. There were some issues that had to be squared away and Mr. Lester took care of them. Kevin Blankenship stated that Mr. Lester had actually picked up his permit last week. Joe McCracken stated that Mr. Lester called him last week and he told Mr. Lester to be at the council meeting and they would discuss the issue. Joe McCracken stated that was probably the reason he wasn't in attendance tonight because the matter was taken care of and he was glad it was resolved. He also stated that on Hope Avenue, off of 6<sup>th</sup> street, the neighbors were complaining about all the vines and poison growing on a garage apartment. Also, the door on the garage door is open and it's vacant, the neighborhood kids and running in and out of it and the citizens are concerned. The water pressure is low on Maple Lane, he's had complaints on that. He doesn't have an address but it's the row of houses at Hill Creek. Also at Maple Lane the water is running off the hill, it's running down into other peoples drive way and yards. Tim Taylor stated that there was not a lot they could do about that, he said it's always been that way. Joe McCracken asked if the town could put a ditch. Tim Taylor stated that there was not enough room to put a ditch on that road. He also asked if that was Poplar Street, Joe McCracken stated that is was. Tim Taylor asked if this was a new complaint, Joe McCracken stated that it was. He received the complaint while he was viewing Hill Creek about the other complaints. He also stated there was a lot of children playing in the area, they would like to have a children playing sign put on the street like was put in at Hidden Valley. Mary Ann Strong stated there was a few signs posted in Hidden Valley. Joe McCracken said he counted about 8 children on bicycles today on that street. Doug Ratliff stated children playing sign is a great idea. Joe McCracken stated that concludes the 10 complaints that were reported to him and he would like everyone to know that he works for the town and the people and this is the way that he does his business. He then thanked everyone.

Frances Meadows: She stated that she had a family ask her about the electrical lines on Deel Road the towns or AEP. Tim Taylor stated that the electrical lines belong to APCO (AEP). Frances Meadows stated that there are trees that needs to be cut and she will inform them to contact AEP. She also stated that it was a big weekend for the Rec Park, the pool opened, she said that the pool should stay busy all summer once school is out. She also wanted to thank everyone.

Doug Ratliff: He stated that he doesn't report on matters such as this but a few months ago Council agreed to allow the fence at Lake Park to be installed. When the fence was built it should have stipulated that the view could not be blocked, he has also had several complaints that this could cause an accident. He wanted to ask Council if they could take a look at it, he thinks the family that lived there has moved. Tim Taylor stated there are previsions stated about being a non-transferrable license, he asked Brad Ratliff if that is something the town could look at. Brad Ratliff stated that he would pull the information and they could discuss it at the next council meeting. Frances Meadows stated that the

previous owners were going to take the fence; Tim Taylor stated that the problem will take care of itself. Doug Ratliff stated he was just worried if there was an accident that the town would be liable.

Doug Ratliff asked about the wall of Lee Street, he stated the town said that it has not moved. He also wanted to know if the town could check it with the plumb bob. Tim Taylor stated they have various reports on the wall, he's received detailed drawing on the wall and George West reports on the wall every month. He stated the wall hasn't moved at all. Doug Ratliff asked George West how he checked the wall; George stated that they used the plumb bob. Doug Ratliff also asked if the town could hire an engineer to look at the wall, he is concerned about it falling and hurting someone. Tim Taylor stated that no one is going to tell you that the wall is safe, no one is going to take that liability. They are going to tell you if you're worried about it then take the wall down. Joe McCracken stated that the wall could possibly be repaired using roof bolts that are used to hold up the roof of mines without extra cost. Tim Taylor stated that if there was rock then that would work. He also stated that if the wall became dangerous then the town would have no choice but to close the street. Joe McCracken asked George West if he sees any movement in the wall; George West stated there was no movement in the wall. Doug Ratliff asked if there are any rocks falling off the wall. George West stated that they haven't seen any rock that had fallen off. Doug Ratliff stated that he has had a couple people inform him that during a storm they have seen some of the rocks move. Tim Taylor stated they need to call, don't wait 30 days until the council meeting to bring it up. It would be dangerous, they need to call and report it. He also stated that the only solution is to take it down if it became dangerous. Joe McCracken said it should be okay if it's not showing any movement and stated it looks like it would show more movement in the winter months when there is more moisture. Tim Taylor stated that they had stopped the water from getting in the wall; it has been sealed up. Doug Ratliff stated he had one person who live near the wall say that they shot at the wall and it moved. Tim Taylor stated that if the wall is moving than they need to call him and let him know when it happens. Doug Ratliff wanted to know what would happen if they took the wall down. Tim Taylor stated they would have to close the street. Mary Ann Strong wanted to know how many years has the wall be there. Rod Cury stated that was Lee Street extension and he didn't know the age of the wall. Tim Taylor said if the wall was moving they needed to get someone in to look at it. Doug Ratliff wanted to know if they could use a laser and document the numbers to compare if there were any movement; write the data down. Tim Taylor stated that they could do that. Mary Ann Strong stated that if they get George to laser it like Doug Ratliff requested then it should be fine. She also stated he could report on it next month and they could go from there.

Doug Ratliff asked Tim Taylor if they could go into closed session later to discuss a personnel matter. Tim Taylor stated he talked to the attorney and it did qualify. Doug Ratliff asked if Tim Taylor could give any information on the gas situation. Tim Taylor stated he received an email dealing with the study, they are gathering data as they speak. They have one more chore to get finished and then they are going to send it out. The report should be available in August, he also stated he will set up a conference call sometime next week. Doug Ratliff wanted to know if they had any numbers on how much gas upcoming corporations will use. Tim Taylor stated they would take the classification of the type business to determine how much gas will be used. Doug Ratliff asked if Tim Taylor met with any large corporations moving in that could give him an amount of gas they would use. Tim Taylor stated not yet, obviously they work with some large corporations such as the crane company but not enough to justify. Doug Ratliff stated that was all he had.

Larry Johnson: He asked Brad Ratliff had he heard anything on the ordinances. Brad Ratliff apologized and said he didn't have anything. He stated he had been covered up this month. He will have drafts, there were two considerations but he'll have the drafts for the council sometime soon. Larry Johnson stated he also wanted to bring up Billy Lester but he had already spoke with Joe McCracken regarding that issue. He stated that was all he had.

Mary Ann Strong: She stated first she would like to thank Joe McCracken for the great job he is doing on the street committee. She stated she is new on that and has been very, very busy and has not been approached so Joe McCracken is the person everyone has approached. She also stated she wanted to ask Tim Taylor and Sue Wade when they could have the next street committee meeting. She said that a lot of things people has asked her about has already been brought up so he won't bring those up again. She stated she wanted to mention a few dates for some exciting things that will be happening soon in our community. First thing she wanted to mention was happening tomorrow. She knew a lot of people were going to be there, Gordon would be there. The Kiwanis Club Special Field Day for Tazewell County



Public Schools at the football stadium. They are expecting an excess of at least 550 kids; if anyone has at least 30 minutes or an hour you can drop by that would be great. These kids need people to hug them, high five them, they also feed them lunch. They are a little nervous this year about it being so close to the end of school and not having a lot of the high school kids that usually volunteer to help. She stated she appreciates Gordon Russ and the Fire and Rescue Department coming to help. Joe McCracken wanted to know what time did it start, Mary Ann Strong stated it starts about 9:00 am when the buses roll in until about 1:30 or 2:00 pm. She also stated you will leave feeling so good about spending time with these special kids. Secondly, everyone received an email but just as a reminder the Good Samaritan Food Pantry ribbon cutting and grand reopening will be held Saturday, June 13<sup>th</sup> at 10:00 am. She also stated she appreciates Fred Phillips and the crew at the rec park getting ready for the tennis tournament, Bob Nassif's 33<sup>rd</sup> annual tennis tournament. The tournament will start on Sunday, she wanted to thank Fred Phillips again for having everything ready. She stated there's not a lot of tennis players but we'll have fun with what we have. She also wanted to compliment the street department crew. She has had plenty of people mention to her that they like the red mulch that they have seen around the trees and so forth in town. She thanked everyone and stated that was all she had.

Mayor Jannis White: Wanted to enlighten everyone on the other things that will be held in town. Sunday, June 14<sup>th</sup>, the Poor Boy Model T Tour, the town will be doing a welcoming reception for them. They will be parking their cars around Ervin Davis' parking lot. She stated there were about 48 people registered and they are traveling from places like Missouri and Minnesota. The reception will be held on Sunday, June 14<sup>th</sup> at 5:00. If you can, please stop by and look, she is sure there will be some very fine vehicles on display. They only do 4 of these tours per year and this area was selected to be one of them. The town is honored to have been selected to help them with the tour. Also, the Freedom Festival 5K Run/Walk will be held Saturday, June 20<sup>th</sup>, the early registration deadline is tomorrow, June 10<sup>th</sup>. Its \$25.00 if registered by June 10<sup>th</sup>, \$30.00 after that. She stated that the realtors in the area are sponsoring a home decorating contest, judging for that will be on June 22<sup>nd</sup>; everybody get out your red, white and blue and decorate your homes. The business window decorating contest will be judged on June 22<sup>nd</sup>, paint a palette contest will also be judged on June 22<sup>nd</sup>. She also stated the deadline to enter the photo contest is June 24<sup>th</sup>, then actually the 5K Run/Walk will be held on June 20<sup>th</sup> starting at 8:00 am and Goodwill is sponsoring the Goodwill's Freedom Walk. All the money they collect will be donated to the festival. The Freedom Festival will be held on June 26<sup>th</sup> and 27<sup>th</sup>, all of the information is on the website and Facebook page, [www.richlandsfreedomfestival.com](http://www.richlandsfreedomfestival.com). She stated that she passed out flyers with information if anyone wants to look at those, she would be glad to share. Everyone get involved and have a good time.

Mayor White asked for a 5 minute break; she needs to confer with Brad Ratliff. The 5 minute break started at 8:45.

Mayor White stated that George Brown's term is expiring as chairman of the committee, some have requested that he be reappointed to the position. Rod Cury made the Motion to reappoint George Brown, Joe McCracken seconded the motion. Vote, all in favor, 6/0. Motion carried. Mayor White also stated there are 2 members on the IDA whose terms are expiring, they are Jeff Brown and Vickie England. She stated she didn't know if anyone has talked to them or not, Council could probably go ahead and reappoint them to the position. If they decided they don't want the position, they could let the Council know. Rod Cury made the Motion to reappoint Jeff Brown and Vickie England, Doug Ratliff seconded the Motion. Mayor White asked if there were any discussion. Mary Ann Strong stated she appreciated the Motion because when they revitalize, put the group back together and they had the one year term she thinks they were hoping to be reappointed. Vote, all in favor, 6/0. Motion carried.

Brad Ratliff - There are several ordinances for consideration for the Council this evening. He stated that 4 of the ordinances are annual ordinances that are passed by Council.

- Ordinance 0-2015-06-01 - Adoption of State Law Section 1-6, to adopt the Criminal Code in the Code of the Town of Richlands. It brings Virginia Code 18.2 in its entirety into our Code section. Rod Cury made the Motion to Dispense with the second reading of the Ordinance, seconded by Larry Johnson. Vote, all in favor, 6/0. Motion carries. Rod Cury made the Motion to Adopt the Ordinance, Larry Johnson seconded the Motion. Vote, all in favor, 6/0. Motion carried.
- Ordinance 0-2015-06-02 – Adoption of State Law Article X, Section 11-112, specifically to incorporate the Traffic Code into the Code of the Town of Richlands. The entirety of Virginia Codes Section 46.2 and also references 18.2 as related to traffic. The entire Traffic Code be

incorporated in its entirety into our Town Ordinances. He would move to pass this Ordinance, may it please the Council. Council Larry Johnson made a Motion to Dispense with the Second Reading, Second Motion made by Rod Cury. Vote, all in favor, 6/0. Motion carried. Larry Johnson made a Motion to Adopt the Ordinance, Motion was seconded by Rod Cury. Vote, all in favor, 6/0. Motion carried.

- Ordinance 0-2015-06-03 – Adoption of 2015 Real Estate Tax Ordinance. He stated he will read this one to be ordained by the Council of the Town of Richlands pursuant to provisions of Chapter 21, Article 1, Section 21-1, and the Code of the Town of Richlands. A public hearing having been duly held on the 12<sup>th</sup> day of May, 2015 at 7:00 pm. A notice of having published in accordance with the Code of Virginia 1950 as amended that the Real Estate Tax Rate per \$100.00 of the assessed valuation for the calendar year 2015 be in the same, hereby is fixed and determined to be 16 cents. He stated he would make Motion for Council to consider this, to pass this Ordinance. Rod Cury made the Motion to dispense with the second reading, Joe McCracken seconded the Motion. Vote, all in favor, 6/0. Motion carried. Doug Ratliff made the Motion to Adopt the Ordinance, Rod Cury seconded the Motion. Vote, all in favor, 6/0. Motion carried.

Brad Ratliff stated to Mayor White that he would move Council to table the Ordinance for the Adoption of the Budget until Mr. Taylor has had an opportunity to review it and may it please the Council. Last Ordinance for consideration is as follows:

Ordinance 0-2015-06-05 – Adoption of Additional Assessment for Electronic Summons System. This Ordinance has been read on one occasion, presented previously in draft form. Ultimately this is an Ordinance that will add an additional fee from the defendant in traffic cases in the amount of \$5.00 as part of the cost assessed by the Clerk of the court within the County to fund the maintenance and upkeep of equipment necessary to participate in the E-Citation Project. He stated he would ask Council to pass this Ordinance. Mayor White asked for a Motion to Dispense the Second Reading. Rod Cury made the Motion, Larry Johnson seconded the Motion. Vote, all in favor, 6/0. Motion carried. Doug Ratliff made a Motion to Adopt the Ordinance, Motion was seconded by Rod Cury. Vote, all in favor, 6/0. Motion carried. Brad Ratliff stated that was all he had, he thanked Mayor White.

#### Manager's Report:

Tim Taylor stated that Council should have a check register to look at. Some of the checks are not annual or regular that they should bring attention to are as follows:

- CK# 51563 – Electronic Systems, Inc. for \$10,047.15. That was for software, its backup hardware that is required for financial statements and security.
- CK# 51566 – Gibson Products, Inc. for \$3,932.64. That was for lubricants for the shop, they are moving to synthetic oil in fairly large quantities. It should help with time and performance of the vehicles.

Tim Taylor stated some of the smaller amounts like the very last check, CK# 51624 to USALCO for \$8,965.44 for the water plant for the treatment of water.

Rod Cury asked about CK# 51598 for to Solomon Corporation for \$3,225.00. Those are transformers that were purchased. Doug Ratliff asked about CK# 51573 for \$994.71 to James River Equipment-Salem. Tim Taylor stated that was for part of the Freedom Festival. Mayor White stated it was the stage for the performers. Frances Meadows asked who does the lawn service, she didn't see it on the check register. Tim Taylor stated it was Jones Lawn Care and they might not have submitted a bill for payment for the month. Mary Ann Strong asked how the lawn care service was doing. Tim Taylor stated they have had several issues and they've been addressed. Rod Cury asked if the jury was still out on the quality of their services. Tim Taylor stated yes, it's their first season but they have to improve. Doug Ratliff asked what happens if they don't improve. Tim Taylor stated that the Town will do what they have to do. Mayor White asked for a Motion to pay the bills. Rod Cury made a Motion to pay the bills. Mary Ann Strong seconded the Motion. Vote, all in favor, 6/0. Motion carried.

Tim Taylor stated that in the budget packet and in the process of the budget work sessions that the Council has had, that you've had been given out a copy of the recommended budget based on all the criteria. He stated that they could not get that out to the Council to look over yesterday.

Tim Taylor asked Joe McCracken if he had a question, Joe McCracken stated that yes, he wanted to know what CK# 51602 was for. It was payable to Takin' the County Back Tour for \$2,500.00. Mayor White stated it was for a performer at the festival. Joe McCracken stated that the check should reference the Freedom Festival on it somewhere.

Tim Taylor stated the next item would be the budget. The cost of 4 ½ percent recommended rate for the electrical based on a 1000 kilowatt hours is built into the budget. The cost of service study is done based on the criteria that they agreed on through budget work sessions including the last one. The summary that everyone received whether they received it during the budget work session or in the packet is the summary. The backup documentation and the details are in this document, it's close to 200 pages if not more, so everyone has it on a disc. He stated the reason he done that was so everyone could refer to it because it is a working document. It's not like it has to go in the minutes or anything, it is a working document based on the cost of service. They have looked at phasing in a 3 year type of approach almost 4 with some lookouts on that. That 4 ½ percent does not generate enough money to basically break even next year because they did plan for that with rate stabilization room to be able to phase in the rate tables which is what everyone likes to see. He stated he doesn't like to see double digit increases, it is bad enough to see what you see. But, the market in the way that you buy power is like that, he knows that everyone has heard this speech before but it isn't smooth, transitional or predictable so they've had to try to smooth that out. He also stated the factor that has caused a lot of misery is in fact the Polar Vortex which cost the town \$700,000.00 swing basically that the town has had to absorb. The increases could've been phased out longer probably and sum what differently if in fact that happened. He stated they took those figures and adjusted the revenue changes to look at that and it does reflect a loss of over a half million dollars. That could change, that is the budgeted amount; it depends on how cold or warm the winter is and a lot of winterization type of issues. He stated that was the best thing they could do with what they had to do with. The only other changes to the expenditures was the 2 cents extra cost of living that would be taken from the extra Christmas bonuses that were discussed and they also had to do some capital changes, there is nothing new but they did have things they wanted to do at the water plant and the waste water plant. They couldn't get those finished by the end of this physical year because of the delays and as well as the electrical. For instance they were hoping to have the fence in, they've got that out for bid yesterday. Tim Taylor asked Kevin Blankenship if they have received any quotes on the fence yet. Kevin Blankenship stated that the bidding process has already taken place, actually tomorrow is the deadline; they will know who the winner of the bid is. Tim Taylor stated that obviously from the books prospective, they can't book that for the year unless it's delivered by June 30, 2015 and it won't be. Those things were carried over, they also have a budgeted amount for buying a service boom truck, and they budgeted \$95,000.00 for that. They actually went out and looked at used ones and received help from some of the Council members with that. They found they could find a really good used truck that they don't feel uncomfortable with for 1/3 of the amount that was budgeted. They are going to go ahead with that purchase which saves the town some capital expenditures in the electrical department which saves about \$16,000.00 based on some of the others they had to carry over. He stated they've really carried over approximately \$60,000.00 but since they've carried over what they were going to this year from the software. He stated that is the only changes in the budget that you're not familiar with, that's it.

Doug Ratliff wanted to know if it would be alright with the Council if the electrical committee is briefed every quarter since it's a tight budget for the electrical. He wants to make sure there is progress. Tim Taylor stated he would be honest with him, they talked about it with the staff that they probably need to get started with it within the next 2 months, not quarterly. They need to meet with committee first and then follow up quarterly with the Council. He also stated that this is a really tight budget whether people understand that or not and it needs to perform the way they want it to. If it does better than you can adjust, if it does worse they need to be part of the solution. Doug Ratliff stated if they met every quarter or every 2 months that's fine but there's certain periods in the year that you're not going to be able to tell how well you're doing because you have a lull and a peak. Tim Taylor stated that he understands Doug Ratliff's concerns, he also stated the more you meet the more you're educated. It's a very complicated matter and you know that, you see it. He stated that the committee could meet more regular and then go to a full Council meeting every quarter he thinks that would really be good. Doug Ratliff stated he is fine with every 2 months or every quarter, Tim Taylor stated they've talked about that and needed to develop a schedule along with the water and sewer committee, maybe not meeting quite that regular. They're going to do an in house across the board plan, they're going to get solidification on a long term plan if that makes any sense. He also stated on the other pieces with the

General Fund they'll just have to talk to you when they need to on that for the police. The fire and safety have a committee so can talk about some of it, which is where most of it is. The street committee can meet to discuss some of the needs they have, they do have some challenges there. He stated he doesn't want to committee anyone to death, he knows it's hard to meet. He also stated he really thinks from the prospective, this year is probably the only year since he's been here that the town will lose money in most every department on an annual basis. They've planned for it on electrical, they've got money put away for that and they've got the debt reserve and cash reserve policy they have to adopt because of the credit worthiness, which is the next thing he wants to discuss as soon as the budget gets approved.

Doug Ratliff wanted to ask the street committee about the fence. He stated he's sure they'll take it down but wanted to know if the committee would observe them taking it down. Joe McCracken stated he feels sure, he was there for the beginning, he knows exactly where and he's been by there since. He stated the committee would stay abreast on what's going on with the fence.

Tim Taylor said that everyone should know what's in the budget, discussed it quite a bit but no surprises. It's been thoroughly discussed why they need to do what they need to do such as the rate increase. He stated what happens when you do the budget there will be a follow up with a resolution that will adopt the actual rate structure for everything the town has. He stated that was the second piece and it wasn't valid unless you have the budget which has that built into it. He stated unless you have any more questions he would recommend that Council consider adopting the budget.

Joe McCracken stated that could possibly a pay increase automatically be put in the budget. Tim Taylor stated that was already included in the budget. It will come out based on the timing and effectiveness in the budget. Joe McCracken stated he was sure it was a much needed small increase for the employees. Tim Taylor stated that just for the minutes, the reason and everyone knows they deserve it and they do a good job but, it's very difficult with the transition of people retiring to replace people when the folks you have are at a level that you can't attract new people. That's why if you don't give cost of living increase to the work force you're not going to get anyone else that wants to work for you. Joe McCracken agreed. Tim Taylor stated that has been a challenge, if we can and we've done it upon the shoulder of the employees. They've promised to perform as best they can for this increase and that might get their wages up where they can attract better employees that will come to work for the town and produce better more efficiently and it's a good plan. He stated they do appreciate that and it helps management, which is setting in front of you, to get good employees; you can't do it when no one wants to work for you.

Mayor White asked for a Motion to Dispense the Second Reading of the Budget. Doug Ratliff made the Motion, Larry Johnson seconded the Motion. Vote, all in favor, 6/0. Motion carried. Mayor White asked for a Motion to Adopt the Ordinance to Approve the Budget. Joe McCracken made the Motion to Adopt the Ordinance to Approve the Budget, Rod Cury seconded the Motion. Vote, all in favor, 6/0. Motion carried.

Tim Taylor thanked everyone and stated that the Resolution that everyone has is adopting, he'll explain it so everyone knows what they're doing exactly with it. It is an ordained issue because you're really adopting the money at the department level, by the way it was put in an ordinance, the auditors wanted that in the ordinance; it states at the department level, not the line level. It's allocated at the department level and that satisfied one of the auditor's weakness in the audit report. He also stated that the cost of service study is covered for 3 years, it shows you their best guess of how much it cost per customer class, so it has rates built in. Those rates are based on what is duly advertised and public comment at the May 2, 2015 budget hearing for the public. That part of it has been done, those rates that were generated were part of what is titled Rate Schedules and Riders, Electrical, Water, Wastewater, Sanitation Collection and Containers. That has all the rates built into it but the only ones that have been changed as far as the rates are the electrical and it is by customer class. This study, even though you're adopting the entire study, is just a study that gives you a working document. It doesn't tie you beyond the one year that the ordinance ties you to. He stated that everyone needed to know that, if the town performs well they might not have to do what it states for the future, if it performs worse you might have to do more. All the resolution does is gives the town a legal way to tie it to the rates to show the public through due process of that as far as open media requirements and all identifications it also provides the town with a document to give to AMP Partners, Inc. out of Columbus

which is the organization that the town purchases the electricity through that they have a legal document showing that Council in good faith has done what they needed to do in order for the town to get their credit worthiness rating up where it needs to stay so they can actually do a better job in buying power on the market and in any type of projects that might come along. If the town does not have that credit rating the town will not be able to participate, they didn't want to miss a golden opportunity if that's not done. He stated that even though it shows a negative on the first year the town has covered that with rate stabilization money, which is where the difference will be paid out of. In order to do that, if you understand that, he can read it, it's very short.

WHEREAS, the Town of Richlands (Richlands) a municipal corporation in the Commonwealth of Virginia, must be credit worthy and financially sound; and

WHEREAS, Richlands has developed, with professional assistance, certain financial criteria to evaluate the cost of services to provide electric service to its users; and

WHEREAS, Richlands staff using this criteria has prepared a Rate Schedule and Riders for the electric, water, wastewater sanitation collection and containers; and

WHEREAS the financial criteria were included in the proposed fiscal year 2015-2016 budget, both duly advertised with public comment accepted on May 12, 2015.

NOW THEREFORE, BE IT HEREBY RESOLVED, the Council of the Town of Richlands adopts the final Cost of Service Study as completed by GDS Associates, Inc. of Marietta, GA, dated May 29, 2015 and the Rate Schedule and Riders for the electric, water, wastewater sanitation collection and containers, this day June 9, 2015 as identified in Ordinance #0-2015-06-04, adoption of budget 2015-2016.

Mayor White asked for a Motion to adopt the Resolution. Rod Cury made the Motion, Doug Ratliff seconded the Motion. Vote, all in favor, 6/0. Motion carried.

Doug Ratliff asked were the reserves supposed to be \$1.2 million. Tim Taylor stated they haven't run that yet because of the capital that has to be included, the last time they ran it, and it was \$1.3 million. Doug Ratliff stated that was what they recommended. Tim Taylor stated there is a \$4 million that you plug in. Then add the capital, operating expense, reserve and what you have available and you work it in to that. Also, whatever debt you have, which the town doesn't have any on that, it pretty much gives you a number. Doug Ratliff asked when he would have that. Tim Taylor stated they were going to work on that next and that's actually what he is going to talk about next. Doug Ratliff asked if he could get that to the committee. Tim Taylor stated that they were actually going to give you the policy also. They are going to give them the entire criteria that they are going to rate the town on and that is item number 3. He stated that basically in order for the town to be rated, AMP has worked with Moody's to develop something to give Wall Street and to the market, to the people who sell power and so forth. The tools they use to be sure who they are doing business with and selling an obligation to for the future has the credit worthiness to actually deliver what they say they can. There have been some bizarre issues that have come up, things that no one in this town would think of doing. Some communities making statements from the governmental bench, not telling it like it is. They have bought power through the market and have gotten fined from the Secured Change Commission, which is a federal issue. They presented a fact to the people in the market which wasn't true; that corrupts the issue. They have been patient because the town hasn't done it in the past, mainly because they change the criteria. It hasn't hurt the town in buying electricity in the past. The Town of Richlands has been in contact with them; they see the financial audits and see that the town is stable. They want to make sure the Council knows exactly what is going on. You made those decisions and you have the ability to ask the questions and that you know what they are doing. That part requires that this particular document be part of that, when you do that there are certain things you are ranked on. If you have debt, how you pay and if you've had penalties. He will give that criteria to all the Council members. It's actually changed a little since last week, they've made a few changes that made it different. So, they've got to review that, he really hasn't had a chance to talk with the staff about it. Those things will be presented to you and they will put that together and show you and submit that to AMP once they get it in place. The resolution was important, they've got the Cost of Service Study done and approved and that's important; you get so many points for that. If you get the cash reserve and debt reserve adopted by the Council you get more points. If you have good operating conditions and things like that it just goes in to

that matrix. The higher you rank the more credible you are in the market and the better deals you will get; to buy power and to participate. Also, if you're not a bad risk you can use your line of credit sometimes if you're not a bad risk. It would be easier to borrow money from them at 1 percent then to go out in the market here and go through an underwriter and all the other stuff you have to do. So, that is the next step, they would like to have this into a form for adoption at the July meeting and he stated he thinks they can have it ready. If you want to meet as a committee, you might want to do that first. Doug Ratliff asked if they could schedule a date for the meeting. Tim Taylor stated they will try to do that.

Tim Taylor also wanted to let everyone know about the award for the power plant from the Virginia Department of Health; everyone should have a copy of that. This year they were awarded the silver, they have had one issue the entire year. In previous years they have been awarded gold and bronze but they've always been in the top 3. He also stated that was all he had at this time.

Joe McCracken stated he did not receive his council packet until late yesterday evening. He also stated he would like to have them 3 or 4 days prior to the meeting. Tim Taylor stated that this was unusual because they had this 200 page document to get fined tuned after the work session. They didn't receive that in time enough and they are not going to give it out without looking over it. Joe McCracken stated that they have had a whole month to prepare. Tim Taylor stated that they had a budget work session with the electrical committee, they couldn't do anything until after that date. Joe McCracken stated he was just asking, if they can, to try to get it to the Council members before a few hours before the Council meeting. Tim Taylor stated he understood that but this time 5 Ordinances, a Resolution and a Cost of Service Study and normally they don't have that type of load. He also stated he would recommend delaying the vote on it if there were anything in it that you didn't already know about. He stated there was nothing in it that wasn't already discussed. Joe McCracken stated as an elected official, an elected Council member, they need time to go over the information. Tim Taylor apologized if there was someone who wasn't comfortable with it, he would recommend delaying the vote and going over everything again. Joe McCracken stated he was comfortable with it, he was just asking at the next meeting if they could receive the council packets a little while before the council meeting.

Mary Ann Strong would like to mention a very important event coming up. The Chamber of Commerce festival and the James H. Drew carnival, it starts next Wednesday, June 17<sup>th</sup>. There's no excuse for anybody to say there is nothing to do in this town, there are plenty of fun activities. She thanked everyone.

Brad Ratliff stated that the code Mayor White asked for is 2.2-3711 A-1 personnel. Mayor White asked for a motion to go into Closed Session. Larry Johnson made the Motion, Mary Ann Strong seconded the Motion. Vote, all in favor, 6/0. Motion carried.

Council went into Closed Session at 9:30 pm.

Council returned from Closed Session at 9:55 pm. Mayor White asked each Council member to verify the only matter discussed in Closed Session was code 202 3711 A-1 personnel. Each Council member verified that was the only matter discussed. Mayor White asked for a Motion to adjourn the meeting. Frances Meadows made the Motion to adjourn, Joe McCracken seconded the Motion. The meeting adjourned at 9:59 pm.

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Jan White, Mayor

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Kelly Goodman, Clerk