

The Richlands Town Council held a regular monthly meeting in the Richlands Council Chambers on March 8, 2016 at 7:30 pm with the following present:

Mayor:	Jannis White
Town Manager:	Tim Taylor
Town Attorney:	Brad Ratliff
Town Clerk:	Julie Cordle
Council Members:	Joe McCracken, Frances Meadows Rod Cury, and Larry Johnson Doug Ratliff
Absent:	Mary Ann Strong

Mayor White called the meeting to order.

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

Mayor White asks if there was anyone that wanted to speak that was not on the agenda.

Mayor White-Kristi Beck.

Mayor White asks if there were any corrections, additions, or deletions to the agenda.

Request was made under scheduled public comments for item number C- 5K Race to be deleted

Mayor White- Are there any other changes, deletions, or additions to the agenda?

Mayor White-If not do I hear a motion to approve the agenda as amended.

Larry Johnson made the motion. Joe McCracken seconded the motion. Motion carries 5/0

Mayor White- You have the minutes. Do we have any additions, deletions, or corrections to the minutes? Mayor White- On page 6 make an insert to add the Festival of the Arts.

Mayor White- Are there any other additions, corrections, or deletions to the minutes? If not do I hear a motion to approve the minutes as amended? Rod Cury made the motion. Doug Ratliff seconded the motion. Motion Carries 5/0

Mayor White introduced Mr. John Ebert who will provide us an update on the natural gas distribution project.

John Ebert-Good evening. I spoke to Mr. Taylor some time ago and he ask me to bring you up to speed on where we are in the course of this project and were we expect to be in the next 30, 60, to 90 days. I thought it would be helpful if I gave you a google earth shot. The first of these three sheets is overall Google earth shots of the system that we have in place and that is designated in yellow. We are building out now in Doran and we have the main line that runs down to the hospital. If you look in front of the hospital there is a blue line extension that is a four inch main that we are going to extend from Altizer

Street down in front of the hospital down to Lake Park. We are going to continue to build out down around Altizer Street, St. Clair and Hill Creek. The blue lines are what we plan to do in the next 30 to 60 days. That will be somewhere in total of 2,500 to 3,000 ft of main extension. The red lines that you see on the overall google earth shot they are the line extension or main extension that we plan to go forward with in hopefully the next 90 to 120 days. After we complete the line extension down in front of the hospital and Altizer we will continue to build out down in Doran as customers come on. We will begin to tie in customers along the blue line extensions. The red line extension that you see would be approximately another 4,000 ft of line that will be in that area in and around the hospital. The second page of the three pages is just a smaller shot of the portion of the system that is depicted on the first sheet. We are continuing to build out in Doran. Those yellow lines are where we have facilities as of today. The third page isolates the area where we are going to run the blue line extension down past Lake Park drive and in and around Altizer. We will continue to loop around the hospital. If you look at St. Clair near the hospital toward Eagle Street, we don't have those easements yet. We are still talking to the landowners.

Doug Ratliff-I have a question for you. As you know the Town and your company are in negotiations for the Town to take over the systems. Do you have a date when the Town might take over the system?

John Ebert-I didn't know we were in negotiations. What we talked about was coming in and doing a plan for an expedited expansion in the Town. One of the things that would be considered over the course of that was whether or not the Town would be in a position to play a roll or own and operate their own system.

Doug Ratliff-When we met with you that was one of the stipulations that the Town would take over the system. That was my understanding.

John Ebert-I think your wrong on that; you can look at the stipulations.

Doug Ratliff- You gave us a promise that if we gave a blessing for your company to merge that you would go into negotiations with the Town to take over the systems. You did that!

John Ebert- We indicated in that stipulation just what I said we would do. We would undertake a study and determine a plan for expanding a system in the Town. I'm not going to argue with you!

Doug Ratliff-I'm not arguing with you. You gave us your word that the Town would be able to buy that system.

John Ebert-We indicated that we would consider that in the overall plan and we haven't ruled it out and we haven't ruled it in.

Joe McCracken-I would just like to ask when you think we could meet with you sometime after our first budget session.

Tim Taylor-Probably sometime next month we could.

Doug Ratliff-One more question, I wasn't through. Tim, what was your understanding of that meeting?

Tim Taylor- The MOU had outlines and I don't have it in front of me either.

Rod Cury- I think we need to wait until the paper work is in front of all of us and we know what is going on.

John Ebert- What we indicated was after the transaction closes between us and UPL. I think we indicated that we would schedule some time to begin that planning process and we haven't closed the transaction. We received the final approvals the first week of February in West Virginia and we have been working toward the closing. We should have the closing soon. We will come down here and have these discussions as soon as time allows. Just give me the dates that you are available and we will make it happen.

Doug Ratliff-One other question, wasn't that part of our attorney's work that when they went to commission it was indicated that the town would take the system.

Tim Taylor-It was part of the MOU but I don't have it in front of me.

Doug Ratliff- We removed our objections to the merger and our attorney sent a statement to the commission stating the intention was that we would go into negotiations to buy the system. What I don't understand when we were in that meeting you gave us every intention that you were going to work with us so that the town could take over that system. Now, that the merger is almost completed and you do not want to follow through with what you promised.

John Ebert-You are miss characterizing what the discussion was all about. We never would have agreed to allow you to take over the system. We indicated clearly in the MOU what we were agreeing to. I didn't come down here to argue with you.

Doug Ratliff-I'm not arguing either but I'm trying to get you to remember the facts.

John Ebert-I remember the facts clearly.

Doug Ratliff- When someone gives you every indication while smiling at us and saying, we are going to work with you so you can take over the system.

John Ebert-We indicating in the MOU what we would do and what we wouldn't do and I'm standing here indicating to you again today after we get this closed we will come down here and work with you and consider all options. That's what we are going to do.

Rod Cury-Tim, Mr. Ebert, everyone has a view but without the paper work I think that any arguments is counterproductive to a working relationship between the Town and the company. I think we need to set down with the paperwork in front of us. That's the best way to do this. I suggest that we close the discussion and accept Mr. Ebert's work until we can arrange to have a meeting and you can arrange that time with Mr. Taylor. With the paper work in front of us, we can review the MOU. If it's alright I am going to suggest that Mayor White close this discussion.

Doug Ratliff- Before it closed Mr. Taylor and myself had the same impression that they were going to work with us to take over the system and now they are renegeing.

Mayor White- we will move on to scheduled public comments and just as a reminder the timeframe on the scheduled public comment is five minutes and if you are not on the agenda it is three minutes.

Scheduled Public Comments:

Mayor White called Jessica Matney. Jessica Matney was not present.

Kristi Beck- Thank you guys for your support for the Honey Festival. We had an excellent turnout. We had a large amount of people there and had really great feedback. Part of what we did for the Honey Festival was to take a survey to determine what activities and community events that a lot of people in the area would like to see.

Brian Beck- We had 189 responses but only the first 100 are recorded. a) 88% was interested in a family movie night; b) would you be opposed to a community event featuring beer? 82% had no opposition at all; 14% thought that it should be in a confined space but no real opposition to it being at an event; only 4% were completely opposed; 89% were not included in this. The other thing we addressed was would you be in support for another safety day- 88 out of 94 replied yes.

Kristi Beck- The next item on our agenda is the farmer's market. Last time I was here I had asked if our LEAD group could begin the process of revising the farmer's market. We have some things we would like to change. We would like to change the market season. Consistency is something that a market needs to have. We would like to change the hours to Tuesdays 3-6:00 pm and Saturdays 8-1:00 pm. We would like to change the season to the first Saturday in April to the last Saturday in October. November and December we could have biweekly markets on Saturdays. We thought that would be a better structure. Your current rules and regulations say that no alcohol is permitted on the premises. I would like to structure this slightly different because we do have a lot of local wineries and a lot of interests in micro brews. These are just for tasting purposes. If we have a lot of overflow under the current awning, what are we going to do? I spoke to Chief Dorton and I have asked that we also utilize that small parking lot. With our expansion we will have to allow canopies or popup tents so they can shelter themselves from any elements that we have on those days. You do not have anything to structure spaces and based on the price structure, can someone come in and take up the entire space? No. I want to change that to each vendor has an 8 ft. space and can work from their vehicles parked close by if they have to. We would like to have full and total access of the farmer's market. We also are requesting as LEAD Group of Tazewell County to have full control of the farmer's market in all financial aspects, clean up aspects, all responsibilities and development. Essentially we would like to have the farmer's market. We will be meeting with Mr. Ratliff to incorporate ourselves as a 501C3 along with that will come all of our liability coverage for the events. The reason we would like to take the farmer's market is because we have a lot of ideas that we would like to do in the community to give back to the community. We would like to make all of these things free. We will be doing a kid's freedom zone all of which will be free to the public. We do have to have a source of income. The Honey Festival is one of our babies moving forward. This is also another source of income for LEAD in Tazewell County. Our steering committee is not just

one person. There are 17 of us and we are all indebted to making it great. We just hope you will make a decision and support us in our endeavors.

Rod Cury- I think it sounds great. The Honey Festival that you do is just fantastic. I heard so many positive comments about it and it draws so many people to Richlands. I believe the farmer's market was constructed with grant funds. We built it with good intentions but it needs direction. I like what you are doing.

Kristi Beck- According to Mr. Ratliff it would be a month before we are fully incorporated and because our open season does start April 2nd we will need to stay under the town's liability until ours is completed.

Rod Cury- Are you employing him as our town attorney or are you paying him from your own funds?

Brad Ratliff- I am volunteering.

Rod Cury- Ok, those can be sensitive issues. I appreciate that. You are asking to take over the farmer's market to take care of it so I feel really good about the people I see in front of me.

Kristi Beck- There are two days through the season we will be closed. It is June 25th for Freedom Festival and also the Richland's yard sale and the carnival.

Mayor White- The police department has a yard sale there so we ask that you add that to your list.

Tim Taylor- Since you are using tax dollars to make money we would need full disclosure to give to the community.

Joe McCracken- We just need to stay informed as a council as to what is going on. I think it is a good thing.

Rod Cury- I like what you're doing. You're really stepping forward as a group. If something else were to come along to help the town, would you be willing to do that too? Or at least entertain the thought.

Kristi Beck- Absolutely.

Mayor White- We appreciate you all because it has been underused. When you don't have a lot of manpower it's hard to stretch yourself thin. We appreciate your efforts.

Joe McCracken- Do we need to make a motion to carry this on?

Brad Ratliff- I would hold off until they become incorporated. You could make a motion to keep it under the town's umbrella until they become incorporated.

Mayor White- Who would like to make that motion? Joe McCracken made the motion. Rod Cury seconded the motion. Motion carries 5/0

Doug Ratliff- This question goes to the town attorney and Tim Taylor. When the gas company came in they promised us to work with the town. Now Mr. Ebert comes in and reneges and has a completely different attitude after we give the town's blessings so I feel like the town was used.

Tim Taylor- I would rather have this conversation with the president of the gas company because he is the one that is very cooperative.

Doug Ratliff- They are not going to negotiate in good faith. I think they are just going to take this and run with it and the town is out.

Mayor White- We can hold him to the MOU.

Joe McCracken- We just didn't have any documents to show so we need to wait until we have documentation to back up what you're saying

Doug Ratliff- Would that be documented?

Tim Taylor-Yes, it will be.

Doug Ratliff- That should be enough paperwork to show that he reneged. What was your attitude with him?

Joe McCracken- We don't have documentation to back any of this up.

Mayor White-We will move on to unscheduled public comments.

Unscheduled Public Comments:

Pat Greene- It is nice to see you all and thank you for letting me speak. I bring greetings from the County and Board of Supervisors. I am the new county administrator. My goal is to go to each of the town council meetings just to introduce myself and talk to the town managers to see if there is anything we can work on together. Whatever helps you all also helps us and vice versa so we just want to make sure you all know we are there to do whatever we can to work together. That's all I have to say.

Doug Ratliff- Shea Cook contacted me concerning the committee for the gun range and he said he went to the meeting and no one was there. Did he get the dates wrong?

Larry Johnson- He must have come the wrong time because we had a meeting

Doug Ratliff- Can you give us those dates?

Rod Cury- I can help you out, Doug. We had the meeting scheduled for the 9th but it was postponed because of the basketball game. I spoke with Mr. Taylor and Larry simultaneously. I believe Tim was going to try to notify everybody because I was at the school at the time.

Mayor White- I also called his office and got the answering machine.

Rod Cury- So we did communicate with him. Larry rescheduled everything and really took the reigns the following Tuesday.

Doug Ratliff- When is the next one?

Larry Johnson- We have already gotten the decision on the firing range. I don't think anybody attending is going to be able to change the outcome.

Doug Ratliff- Is there any way that one or two of you could meet with Mr. Cook and update him on that?

Larry Johnson- I'll call him

Mayor White- Calls for Mickey Smith.

Mickey Smith- Thank you very much for allowing me to speak. I have been here before with the same problem. It is concerning the East 2nd Street. There is an issue there with the fallen logs getting worse. If someone gets hurt there who is going to be liable? Also, I don't know if someone is handicapped but the ramp is terrible for someone handicapped. I talked to Joe about this problem and he said is going to check it out. I will let him address that too, but it looks to me like it's not to code. Also, someone is working on vehicles there and it is a narrow street with cars parked all on one side. You have one way in and one way out. The gentleman that works on the vehicles sometimes leaves the door of the vehicle open while he works on it and it makes it even more narrow to get through. They put out their trash early and leave their garbage cans out. It seems to me like they are just pushing buttons of the people around them and seeing what all they can get away with there.

Joe McCracken- Ms. Smith, I did go over there and my report tonight is all based on 2nd street. I talked with Mr. Taylor and mentioned everything that you and I have talked about plus a few other things. I will bring them all forward.

Mickey Smith- I don't know what can be done about the wall because the whole thing is leaning. If it falls down, we have no way in or out. We have to be concerned and watch out for the elderly on our street. I thank you for taking time to go and visit and address this issue.

Joe McCracken- I also had the code enforcement officer and brought him with me over there for about two to three hours looking at issues. You will see that in the report.

Mayor White- Terri Wrightson

Terri Wrightson- Good evening. Before I get started I need to give you the envelope that Mr. Taylor had requested. It is about our house on Mountain Road. We had a guy come in from West Virginia to do an assessment underneath the house and it doesn't have the beam that is supposed to support the house.

Tim Taylor-This is the group in West Virginia?

Terri Wrightson- Yes. That was our conversation from the other week and you requested a copy of that. It has no center beam whatsoever or any other supports with it. He said he didn't know what Mr. Cross did or why he left that center beam and other stuff out.

Tim Taylor- I don't know. We will check it and see what they say.

Terri Wrightson- If you guys can help us, it has been going on for three years now. I can't go through another winter with the floors and everything. We are also looking into another gentleman coming in to look at the insulation outside the house, underneath the house, and in the walls to find out if it is adequately insulated. For a brand new house, we shouldn't have to pay \$300 to \$400 on electric bills. If you can help us in the situation we would really appreciate it.

Tim Taylor- I'll take a look at the structure and give some professional advice and see what the other people have said about it.

Mayor White- Thank you, Terri.

Council Reports:

Rod Cury:

Thank you, Mayor White. We have always tried to honor local teams and positive things for our community and I think this is a time that we could definitely honor our basketball team. They won the Southwest District regular season and also won the conference 39 basketball tournament. Mayor White proposed that we draft some type of resolution to recognize them by having the team and their coaches come to our next meeting.

We also did not have a Planning Commission meeting last month because we are waiting for the Community Planning Partners documents. We asked Richard Smith, Chairman of the Planning Commission, to call a meeting to review these results on the first Tuesday in April. Is that acceptable, Mr. Taylor?

Tim Taylor- Yes, I think we will be ready. The only thing I would like to mention is there seems to be a problem with some of the members. I don't know if it is a conflict with sporting activities but maybe Chairman Smith might want to schedule the meeting in that week.

Rod Cury- We could alter our time to suit everybody. Once we coordinate this with Richard he can be in contact with the members to find a mutual and convenient time. The tentative date would be the 5th of April unless there are too many conflicts.

Also, in our recent Public Safety meeting there was a question from Chief Dorton about the codification and others wanting to know an update. Are there any updates on the anticipated time?

Brad Ratliff- I have the book and Tim and I have been getting together on that for quite some time to make any final adjustments to the ordinance book. We need to do a final review of that. It has been

pushed down the list and I sincerely apologize to council. We will do our best and need to do it collectively.

Rod Cury- I don't recall exactly what Chief Dorton said but there were some number differences that mean a lot to his department. Would it be important to involve Chief Dorton in this process?

Brad Ratliff- It also makes a difference when we are prosecuting those cases. We have been working on this for a while. I apologize.

Rod Cury- Your apology is accepted. This has been going on for a while so if we could move it to the top and then once you get that done it will be behind us. We need to set aside a day to do that.

Also, Tim sent out an email to all the members of the council that we are inviting bids for construction on the Section House project. It has been a complex process but no one has ever given up on it and I think its one more piece of the package that makes Richlands a better place to live. Council has been very patient and supportive to the members of the committee

Tim Taylor- The town received 100% authorization to bid the project. We have a mandatory conference on March 17th at 1:30 P.M. The mandatory bid will be on Tuesday April 5th at 2:00 P.M. Bids will be analyzed by the architects.

Joe McCracken:

I spent my day at East 2nd Street on March 3rd. Mr. Taylor assured me that the issues I found will be taken care of. There was mud running down the road from a private driveway, trash was everywhere inside of a fenced in yard, and tree limbs were hanging on the powerlines. The wall is very dangerous and needs repaired.

Mickey Smith- Do you think there would be powerlines and water pipes going to the house with the muddy driveway?

Joe McCracken- Mr. Taylor has been informed and is committed to taking care of that driveway.

Tim Taylor- We will make an attempt to work out a solution with the owner but we won't be able to fix anything on the private drive. Taxpayers aren't going to do that.

Joe McCracken- There are junk cars without tags taking up the street space. The code enforcement officers will take care of the vehicles and the trash. The street lights are too close together and should be spread out to light up the entire street. There is a wire hanging from a light pole on the sidewalk. Matney trailer park is working to correct the problems. Storm drains close to White Front need to be moved up closer to the pavement.

Frances Meadows:

The only thing I have tonight is that I am looking forward to the cleanup activity. I encourage everyone to participate in that.

Mayor White- Could we let the town crew that mows take a couple weeks before they mow to work on getting the trash picked up?

Joe McCracken- The county has been using inmates to pick up trash. We appreciate Tazewell County for that help.

Mayor White- I would like for you to look and see what that would cost us. I have received all kinds of complaints about the trash.

Frances Meadows- I have talked to George about the alley behind my house having pot holes. I'm putting in a work order for this because someone busted their tire hitting one of the holes.

George West- I recommend putting gravel in it for right now. As soon as the mix is available for this season, we will get that done.

Doug Ratliff:

Make a request to go into close session

Mayor White- Can we do that after everyone is finished?

Doug Ratliff- Sure. That is for 2.2-3711 A5 Prospective Business

Larry Johnson:

I will start with the Public Safety meeting. We would like to approach the county about our fire contract. Concerning the firing range, the main topic was about the layout. There are questions on the liability of not having someone to keep it under a controlled environment at all times. On the adjacent property there are four-wheeler trails and also places where people walk and hunt. The liability isn't worth the risk. We feel it is best to abandon that considering it isn't probable to pay someone to supervise it at all times. I would also like to clear up an issue that I caused regarding the "In God We Trust" stickers on marked vehicles. I said that I was in favor of it and that I felt most of the council would be also, but I didn't mention that they needed to wait and put it on after we voted.

The next topic I have is on the banks being destroyed on Kent's Ridge Road. From now on, the new drivers will have someone going out to watch them to try and prevent the damage from happening again. I would like to make a motion that we put the official motto on our emergency response vehicles.

Doug Ratliff- I seconded the motion.

Mayor White- We have a motion and a second to put the official motto "In God We Trust" on the marked vehicles. Is there any further discussion?

Frances Meadows- If our police department doesn't want it on their vehicles because of the first amendment then I don't want to go against them and agree to have it put on.

Doug Ratliff- All of the other counties have done it and if there was a problem with the first amendment, they would have found it.

Francis Meadows- Do we have to go along with all of the other counties?

Doug Ratliff- The police officers serve the citizens. Most citizens want it on there.

Joe McCracken- I have spoken to an attorney that said we should postpone the decision to see what happens in the other counties. We don't want to fight a possible law suit.

Brad Ratliff- The courts have upheld the "In God We Trust" phrase. It is constitutional and is the motto of the United States.

Mayor White- I just feel like they are taking away our rights and I am not willing to give mine up. I am in favor of this.

Rod Cury- When I read this motto, my mind immediately goes to God and his son, Jesus Christ. That is how I believe but I would first like to see if any repercussions come to the other counties. There are groups out there that look for these types of lawsuits. I feel like this would open our town up to potential hazards so at this time, I would like to wait on making this decision.

Frank Dorton- Why would we want to put ourselves out there on something controversial? I believe in God but I also believe in the constitution.

Doug Ratliff- Most people read it like they do on money and think of the constitution.

Frank Dorton- If you read what is on Brad's conclusion, since the language is an official national motto of the United States it is viewed as having a secular purpose as opposed to religious significance. People have put religion to that motto.

Mayor White- We didn't until you asked us.

Frank Dorton- As a governing body, how can you vote to put those on vehicles when you know your town attorney tells you it is a violation to the first amendment? It's all about how the courts see it. I'm not anti-religion but I am pro-constitution.

Doug Ratliff-If the people who wrote the constitution heard the way you are saying it, they would laugh at you because in their minds they believed in God.

Frank Dorton- I believe in God.

Doug Ratliff- I know, but it was not a law. You can't put the constitution up and say I believe in it. The people who wrote the constitution believed in God and wanted to put God everywhere and now you're taking him out.

Mayor White- They convened their meetings with prayer.

Frank Dorton- This is what the supreme court says which is also what Brad says. Your own attorney is telling me it is a violation of the first amendment.

Doug Ratliff- If the people who wrote the constitution were here, what would they say?

Frank Dorton- They would still say government has no business in religion.

Rod Cury- We need to be cautious on how we interpret the founding fathers because it's done on national levels and is a very contentious thing that we don't need to be involved in. This is the very thing that we can get into that I want to avoid for our community.

Frank Dorton- What do I do with the police officer that says it is against his religion to ride the car that says "In God We Trust." You can't ask him what his religion is.

Doug Ratliff- You would bring up this thing that Brad has got that says it has nothing to do with this. If you vote to put this on the vehicles, you are violating the first amendment.

Joe McCracken- I would like to wait until it is over before any decision is made whether or not to put it on the vehicles.

Doug Ratliff- If they were going to challenge it, the first thing they would have challenged would have been the money because the money is everywhere.

Frances Meadows-Chief Dorton, I stated my case and I agree with you that they shouldn't be put on there.

Mayor White- We have a motion on the floor with second motion so we have to act on it unless these people are willing to withdraw their motion. We will call for a vote.

Joe McCracken- abstained from the vote

Frances Meadows- voted no

Mayor White- Broke the tie and said yes

Mayor White asks for a 5 minutes break.

Joe McCracken- made a motion not to have the sticker on the vehicles. Rod Cury seconds motion. Motion carries.

Mayor White- Any questions for Matthew on Fire and Rescue?

Larry Johnson- I would like to hear what Matthew has to say.

Matthew Whited- I think there is some confusion about the stickers on the Fire and Rescue vehicles and all emergency vehicles. The police don't want it on their vehicle which is fine because that is up to their department heads but we want it on the Fire and Rescue vehicles and we should be allowed to do that. The stickers have already been bought.

Doug Ratliff- So you want it on your vehicle?

Matthew Whited- Yes.

Mayor White- How does this motion affect?

Brad Ratliff- It is about all emergency vehicles.

Mayor White- I agree with you, if you want them on there then they should be on. But the motion failed.

Doug Ratliff- What if we brought another motion to put on only the Rescue and Fire vehicles? I will make that motion.

Mayor White- asks for a seconded motion

Larry Johnson-Will it change anything as far as putting it on all emergency vehicles because that is the way I made the motion.

Brad Ratliff- The motion can be rephrased to where it is on all Fire and Rescue vehicles.

Joe McCracken- We are still opening the same door as before.

Doug Ratliff- I guess we can discuss it after we make the motion. I make the motion that we put it only on the Fire and Rescue vehicles.

Mayor White-asks for a second

Larry Johnson-I will second it if their department heads are ok with it.

Mayor White- We have a motion and a second. Any further discussion?

Joe McCracken- This will only affect Fire and Rescue vehicles but at the same time could it come down to the same effect as before?

Doug Ratliff- But as of now, it is legal.

Joe McCracken- I am just trying to keep the town out of trouble. We can postpone this vote. I will have to vote nothing.

Frances Meadows- Can we just put this flag on there for right now?

Larry Johnson-It has "God We Trust" on it.

Francis Meadows- Can we not just take that off?

Joe McCracken- We could but it wouldn't be worth it.

Doug Ratliff- That's why it should be left up to the department heads. The police chief doesn't want it but the fire and rescue does.

Mayor White- Frances, what is your vote?

Frances Meadows- What am I voting for again?

Doug Ratliff- You can't discuss this while you are voting.

Mayor White- calls Frances to vote

Frances Meadows- This can be brought up later. I am going to vote no.

Mayor White- motion fails

Department Head Reports:

Mayor White- I talked about having the group pick up trash a couple weeks before mowing. I have a question about the sidewalks below the hospital. I had someone ask me about fixing the sidewalks because they are difficult to walk on. I thought it was part of the home owner's responsibility to pave a portion of the sidewalk.

Tim Taylor- On route 460, I believe that is VDOT's responsibility.

Mayor White- Can you check on that?

Tim Taylor- You're talking about constructing a sidewalk?

Mayor White- Yes, that's what they asked me.

Tim Taylor- I will check with them to see what can be done.

Mayor White- You're going to check on the ruts on Chestnut Street. That is all that I have. We will move on to Brad.

Brad Ratliff- I am still working on the Enterprise Zone documents; I can't seem to get that right. What I done the first time was way too much and then the second time was way too little. We are still working on that so hopefully we will have it done by next month. I have nothing more until closed session.

Manager's Report:

Check # 53011- Truck from Freedom Ford was \$135,400 and the other work was \$13,733 totaling \$149,133.94

Check # 53037- Morton Salt \$7,431.84

Check # 53054- Robinson Farmer Cox Associations for the last installment \$4,600.00

Frances Meadows make the motion to pay the bills; Rod Cury seconds the motion

Mayor White- Any further discussion? Motion carries 5/0

Tim Taylor- The Community Planning Partners report is still in draft form. Once it is reviewed and corrected, we will distribute them. The council is required to hold a public hearing after reviewing. Hopefully we will set the adoption for June or July. There is plenty of room to add different ideas. We were supposed to have you a proposed draft by the next physical year but we had some difficulties delivering them. I am requesting that the Mayor will consider recessing this meeting and reconvening on Tuesday, March 15th at 7:30.

Mayor White- Closed Session for Section 2.2-3711-A5, prospective business and for Section 2. 2-3711-A7, Cedar Bluff.

Larry Johnson made motion the motion; Frances Meadows seconded the motion.

Mayor White- Motion carries 5/0

Jannis White, Mayor

Julie Cordle, Town Clerk.

The March 8th meeting reconvened on March 15th at 7:30 p.m. in the Richlands Council Chambers with following present:

Mayor: Jannis White

Brad Ratliff, Town Attorney

Tim Taylor, Town Manager

Town Clerk: Julie Cordle

Council Members: Rod Cury, Council Member

Frances Meadows, Council Member

Joe McCracken, Council Member

Doug Ratliff, Council Member

Larry Johnson Council Member

Mary Ann Strong, Council Member

Mayor White called the meeting to order. She also discussed adopting or amending this agenda.

Tim Taylor-There was a request from a circus out of Greenville, South Carolina to get permission to bring the circus in town in May. This is something the council will need to decide whether to allow this or not.

Mayor White- Do I have a motion to adopt the agenda as amended? Rod Cury made the motion. Joe McCracken seconded the motion. Motion carries 6/0.

Mayor White- We have adopted the agenda. We will move on to part a health care benefit renewal.

Sue Wade- Each year we have to do a renewal with Anthem. Anthem allows us to choose between two plans, which we currently have plan 250 and plan 500. Both of these consist of medical, vision, dental, prescription and behavioral health services. This year we had a 2.8% increase. Last year's increase was 2.6%; the year before that it was 4.8%. This year the increase for the family plan was \$43 which is \$516 a

year; two people is \$29 which is \$348 a year; and a single person is \$16 or \$192 a year. So this total increase of the 2.8% is \$29,112.00 for the year. With the employees in the plan going to a participating provider, it saved the plan 1.3 million dollars. We are asking council to adopt these two plans this year. We have open enrollment that will start on April 1, 2016. VRS has decreased the employer's portion from 22.95% to 21.18%, resulting in an annual savings of approximately \$46,000 for a year. The employee's portion will remain at 5%. Back in 2014 the employees on the 250 plan had to pay the difference between the 500 and the 250 plan. Last year when we received the increase, the employees picked up both the 250 and the 500 cost increase. This year we would like to ask council if they would consider paying for the increase we received this year or make it break even for the employees by giving a \$.25 raise to cover the extra cost. The change of plan won't be effective until July 1st

Tim Taylor- What we realized is that there was a savings in the budget that really belonged to the employees benefit package. What we are recommending is to allow that money to cover the increase for the cost of insurance. By giving the employees a \$.25 raise it will give each employee the money to pay the additional increase.

Sue Wade-We have 65 employees that are on the 250 plan and 8 employees on the 500 plan.

Tim Taylor-The \$.25 would be the cost of living allowance. This helps us get the wages up so if we hire somebody new it puts us more in the market and makes us more competitive. The employees will get a little more money that will go toward their retirement. This is a way to pay for it without affecting the revenue. The employees will have a choice if they decide to drop down to plan 500 and they might have a little more money from the \$.25 increase.

Tim Taylor-We have 2 plans that we want you to vote on tonight. First, Vote to accept the plans as presented and then make an amendment to give the \$.25 raise.

Joe McCracken-I make the motion to accept. Larry Johnson seconded the motion. Motion Carries 6/0

Tim Taylor-If you remember throughout the process last year council was trying to minimize the effect towards the rate increase. Part of that discussion with the staff was that we would examine things in a year and see how things were going because we had budgeted for a big loss. It was \$400,000 or so. The budget has assumptions in it that we think we can manage a little bit. That part of it was expected to be

around \$200,000. If you look at the cash reserve policy that is the money we have to reserve in order for us to buy power.

Tim Taylor- Projected sales for electricity were a lot higher than actual sales and that was due to a mild winter. We have to worry about two things. We have to take into consideration what we pay for power and then we have to know how much we can actually sale. PJM buys and sales power daily and they're in charge of the wires. They're owned by AEP and Duke Energy and are regulated by the federal government and are managed through the PJM.

Tim Taylor- We have resource cost, purchase blocks, market purchases, market sales, PJM which is the wire cost. Resources are things that we own so those would be the hydros, coal fired plant, and the gas fire plant. The purchase blocks are those contracts that we have. If you look at the bottom line projected to be \$82.12 mwh and it's actually costing us \$76.29 mwh. I will break it down so you can see what you are paying when you look at your power bill. These are large numbers and large quantities but when you look at your bill and a rate that you're going to have to tell a citizen then you're going to have to talk in cents per kWh. If you want to know what you're paying per kwh just move the decimal over to the left one space, 8.21 per kwh. The rate that we are looking at now had all the implications that all the hydro plants would be online. If they had come online when we thought they would, we would be paying a lot more money for that energy than what we're paying in other places.

Tim Taylor- The resources for the energy are Fremont, SEPA, Hydro and Prairie State. Fremont is a gas fired plant. Prairie State is a coal fired plant. SEPA is the dam next to Martinsville that we get power from. Cannelton, Willow Island and Smithland are the three hydros that are going online this year on the Ohio river. When you buy power you buy energy which is mwh. Then on the other side you'll have to pay for the wire charge which includes capacity which is how big the wires have to be and how much equipment has to be on the ground. Two factors that have really hurt us in the cost of electricity one of them is the hydro is not online yet. That helped us today but will hurt us tomorrow. It will cause our cost to go up even more next year. We're expecting to pay \$125 and we're paying \$145. If it's a really cold day we could go out and start all of our generators and reduce some of our load that would cut down on some of these peaks that we have. When we do our studies we have to do the worst case scenario because it's happened two years in a row when we didn't think it would. RPM is capacity basically but the bad news is the polar vortex causes the government to get all nerved up and they have been allowed to change the rules on how they charge it. That will continue to increase because they think the RPM's aren't high enough. We try to keep up with everything monthly in case there is a mistake.

Tim Taylor- The next one we would like to go into is one of the projections. The projections are what we wanted them to do to shore up the cost of service so the council would know how well we are doing. We wanted to refresh the cost of study survey and how we were performing cost to date. Every month they have forecasted how many mwh that we expect to buy. They base their forecast on weather and other things they see coming down the pike. In December we still didn't have any hydro because it wasn't online because they couldn't get them built in time. They thought they were going to be commissioned earlier. We have two units online in January but that's not all that's going to be online. The energy goes up and down based on weather. The more water there is means the more electricity there will be but this time the more water hurts you and the less water to a certain extent helps you. At the same time, not having enough water can be a problem too. Market energy is the day to day that we have to buy because the gaps are not always filled so we have to buy a day ahead in order to fill those gaps. Our portfolio for this year is pretty much filled but after 2017 is where we will get in trouble. Our cost should be around \$80.34 but we're already doing a little better than that because the hydro has helped us out.

Tim Taylor- The engineers give us assumptions of where we're headed. We have some block purchases left under contract. First energy is a piece called the low falling piece that fills in the gaps. It varies by month. We had an energy deal that we bought not too long ago that filled in the gaps while we were getting these resources finalized.

Joe McCracken- How many kilowatts are in a megawatt?

Tim Taylor- There are 1,000 and kilowatts are measured by hours. The assumptions are based on our resources. There are two groups that we deal with, one being the AMP folks of Columbus that we do our power working through. We don't actually own SEPA but it's a resource that we're rented out to. We have a capacity factor of 10% which is not uncommon. It is really expensive but it's free fuel and a really good capacity. They know how to dispatch it in order to help us when we're peaking. Fremont has a base firing unit and a duct firing unit. Base firing unit is the one that runs most all of the time. The duct firing is more expensive to produce because it uses more gas but it has a higher heating rate. It only gets fired up when the price on the market is really high. This has been the best product for us because you can cut it off when you don't need it. Gas plants can be shut off and you can go by the power of the market in order to save money unlike coal plants but its only available 49% of the time and that is based on water flows. Fremont can be started and stopped when needed. We have some disputes with some of the manufacturers because some of the equipment they put in had the bearings fall out. They are a high dollar item and that is some of our misery about going forward. We were told it would be \$85 per mwh. 2016 has went up based on the AEP zone. Expect 2017 to be escalated because of the same reason. What we have set this year won't go in effect until January of next year. RPM charges will have changes in July. We get credits for things that we own.

Tim Taylor- There is congestion which is power lines that are down. If we have power lines that go down and messes up someone else's, we have to pay for it. We have dispatch service fees that we have to pay because we have to do all of this a day ahead and also pay for all of the other stuff they do for us. We have to collect taxes to give to the state of Virginia. We have two people looking at this giving you assurance that we're doing all we can do. We were expecting that 2017 was going to be \$79 but it's not going to be. 2017 and 2018 are going to be very expensive years. We're going to be somewhere around \$90 in 2018. Only 13% of the money paid will be going to pay to keep the lights on and to pay for trucks. The coal industry has hurt us and has caused a lot of these problems. Some of the other problems are because of the hydros. They told us last year that the cost for hydro would be \$125mwh but the last time we got it in January it was \$145. That only represents 8-10% of our energy but it's going to be expensive. They're trying to pay for a 100 year project in 25 years. We could refinance it for at least 40 years and that alone would help with debt. Even if we lost our energy credits, it would be worth losing in order to lower what we pay today.

Rod Cury- Is there an active movement to refinance the hydro?

Tim Taylor- Yes, there is an active movement to check on refinancing. The reason it isn't done today is because they haven't finished the project so we don't know the final cost yet. Each month when we pay them, we don't just pay the bill. We have it double checked to make sure there's no charging errors.

Mary Ann Strong- State wide we have one of the lowest cost for electric.

Adrienne Cordle- I have an update on where the electrical rate is through December and where we are projected to be at the end of the year. As of January 31st, the electrical department is in the red \$45,000 which is better than what we thought. The total revenue is 3.4 million and the total expenditures were 3.2 million. The cost of service study said that we would be \$478,000 in the red and we figured it would be around \$250,000 but we're only \$50,000 in the red. Last year from February 14th to the end of February was when we have negative temperatures and snow for two weeks but we didn't have that kind of weather this year so our revenue probably isn't going to be as much for March this year.

Adrienne Cordle- The original income statement is based on the projected power cost. Our updated power cost for 2015-2016 is 5.2 million. The projections decreased due to the hydro. The cost of study service projection predicted the hydro's to be online this full year which would have been \$640,000 but

because the hydros didn't come online that actually helped us. Due to the hydro's not being online our power bill went from \$640,000 to \$207,000. The problem is that in January the hydro's did start coming online and by 2017 they'll all be online. In 2016 it was \$78 and it changed drastically to \$91. There's a significant increase in all three of the years shown by the study even up to 2020 where it comes down a little but not a whole lot. They have updated the income statement of the purchase power with our new projections. We already have adopted the cost of service study so we don't want to change our rate structure because these things could still change if they refinance for 40 years instead of 20. The suggestion that they have made is to leave the rates that we have in place with the plan that was adopted last year and just add a power cost adjustment to pick up those additional costs. By doing it this way, you're not obligated to go through a public hearing and a whole process just to change the rate. This money would pick up just what we have to pay in the power costs that we get from AMP and the other charges.

Tim Taylor- I was all about trying to get the rates adjusted. We've already adopted two resolutions and they're already in place. When we have unexpected changes and need to recuperate, we don't change the base we just do a power cost adjustment which gives you more revenue to pay your power bill. The PCA is a good thing because that gives us the ability to examine how things go throughout the year.

Adrienne Cordle- We didn't include any capital purchases in the cost of service study. We submitted the 5 year plan and what needed to be done which was trucks and transformers but we told them not to include any capital in the study.

Tim Taylor- The updated model shows that there will be price increases but it's probably worst case prepare cost. All of the additional costs going to our people is going somewhere else like marketers, to help or lessen bad investments, and to fund a PJM market.

Adrienne Cordle- The base rate is your electrical charges. In 2017 you're going to charge 6.5 million not based on what you collect but what you bill. The purchased power is 6.3 million and when you deduct that from the 6.5 there isn't very much left to cover the operating expenses. This shows that you're barely charging enough to pay your power bill and you can't operate on that. If you show an electrical loss in your budget you get a -20 when AMP scores us each year. They now look at governmental funds so if you show a loss there, you'll also get a negative scoring. They're looking more at our credibility now than they used to. We have to do what's right for our rate payers but also have to make sure we can provide the power and stability that they can't get somewhere else. They rate us and submit it as a group.

Tim Taylor- It's based on a Moody type score.

Doug Ratliff - How much increase will there have to be to be on the profit side rather than be in the red side?

Adrienne Cordle- For 2017, they didn't change the base rate of 6.5 is based on a 5% increase which was also in the adopted plan last year. They're saying the power cost adjustment that we need to recoup is \$700,000 which is about 10 cents per kwh. The net income is projected at a loss of \$143,619 but we feel like we can do better than that.

Tim Taylor- Right now we're paying \$101.13 and it will be an increase to \$116.90 by adding the 5% and PCA.

Adrienne Cordle- We would suggest that if you can come ahead and implement a PCA now and collect a little bit up front for the next billing cycle when July comes you may be able to have a lower PCA. It helps the customer to do it that way.

Tim Taylor- PCA is embedded in power cost not in operations. It's whatever is happening in the market at the time.

Adrienne Cordle- As a customer in the town, I would rather go ahead and pay some of the PCA now and possibly have a smaller adjustment later instead of having it all happen at the same time.

Rod Cury- To me it would seem better instead of doing 10% on the power cost to just do 5% and then if it gets worse you can change it.

Adrienne Cordle- You may be able to do that if you charged a PCA now but if you don't then you probably can't do that. We agreed that it would be better to go ahead and try to implement the PCA now because the rate increase doesn't go in effect until July.

Rod Cury- Maybe we could make the PCA 5% instead of 10%.

Tim Taylor- We know we're going to have to go \$700,000 above 5% if everything falls in line so if you go half that you can expect it to be \$350,000 plus the \$143,000 in the hole next year. We won't be able to drop much more than about \$300,000 in our cash because we're going to lose money this year.

Joe McCracken- It sounds like a 20% increase in the next 3 years.

Tim Taylor- That's where everybody is unless we can do things better. APCO will probably go back up when the fuel rates go back up. We didn't go with APCO because they didn't give us the deal like they gave others like Radford and Salem. We're wanting to do a PCA which doesn't require an ordinance because of the cost service study and plan on our 5% increase. Maybe eventually we will get them down to \$125 or 12.5 cents, I'm not real optimistic about it unless they refinance and if they do that then it will happen.

Rod Curry- So the staff of this town is recommending doing a PCA for April.

Tim Taylor- Yes

Rod Curry- If we do it early the charges may not be so drastic in July.

Tim Taylor- That 5% has to come in July and will start being collected in August. We are saying if you spread it out and start now the cost won't be as bad over the rest of the year, because next year it is going to be even worse.

Joe McCracken- What you're saying is it's a penny on a dollar bill?

Tim Taylor- its \$10 dollars on a monthly bill.

Joe McCracken- So its \$10 on \$100?

Tim Taylor- Yes for the PCA.

Doug Ratliff- I think that if we initiate it earlier than they think that it will be easier for them with \$7.50 rather than \$10.

Tim Taylor- Doing it now in these months won't kill them; you may have to adjust it higher in December then it's going to be higher than that. Since you all have set the PCA at 0% by a vote, we would need you to set the PCA based on the representation and it will go out on next month's billing.

Rod Curry- I make a motion to increase the PCA to the amount staff recommended, which is the 10% or \$10.

Joe McCracken- We went up 5% last year. So now we are going up to 10% which is your recommendation?

Frances Meadows- I just feel like that you all are looking at the numbers and you all are seeing what's going on a whole lot better than what we understand. If your recommendation is that then I agree with that. I second the motion

Tim Taylor- We feel your pain, it's not like we just throw these out here. I would love to see you all be able to compromise. This is why we brought it up for discussion; anything that you give us that will help us will work. I don't want you to think that this staff is set on this \$10. If it was \$7.50 we could live with it and will massage it. You have to promise us though that you will reexamine it. We kind of know what it's going to generate and that should be around \$150,000. That money would go into the cash to help us sure up the times it takes you to get those things changed.

Doug Ratliff- Instead of doing the \$10, we do the \$7.50 and then we can always adjust when they need us to do that. If we have a problem with the \$7.50 after about 6 or 7 months then we can look at it again.

Adrienne Cordle- From my point of view it doesn't always work out for the good. When we had the polar vortex, we didn't recoup any of that money. We paid a million dollar power bill, and we didn't recoup any, we actually lost \$500,000 that year when we normally gain. We thought that it wouldn't happen again after having the vortex, but last year it happened again. We peaked in the winter the last two years. The hydro wasn't online and was still under construction and the project wasn't done on time, but when it was it did help us from losing \$250,000 or more.

Tim Taylor- The staff would love to have the \$10, but they will settle for less. We will even do the 0% that it's set at now. We brought it here to let you all decide on what you thought would be good for the town. In 2018 those block purchases are coming off. After this year we are going to have to do something else because those contracts will be gone. We have been delaying that though to try and make the right decision, but we can't wait until that very year to try and get it done. We have already started discussions with GDS; now AEP will already come to you and say that we found a deal. GDS is all over the country; they will look into other places that maybe AEP wouldn't have looked at and get us prices.

Joe McCracken- If we vote in the 10% tonight, that's not counting the 5% we already have. So we are planning for a 15% increase.

Rod Cury- Makes motion to go \$7.50 increase on the monthly bill, which in turn takes it up to 12.5%

Mayor- We have a motion on the floor for \$7.50 for the PCA cost.

Joe McCracken seconded the motion. The motion carries 6/0

Sue- On the health insurance you voted to keep the 250 and 500, but by the next council meeting I will need to know what you are going to pay on it. We will make that decision in the April to meet Anthem's deadlines.

Mary Ann Strong-I will make the motion for the 500 Plan participants receive no increase in their contribution for the insurance. If they choose to remain in the 250 Plan; they would have to pay the increase.

Larry Johnson seconded the motion. Motion carries 6/0

Mayor White-Let's discuss about the circus.

Tim Taylor-Do you want a recommendation from me to make it easy on you?

Mary Ann-Please!

Tim Taylor- I would say that we don't allow them on public property.

Rod Cury-I agree with you, Tim.

Tim Taylor-If you don't act on it then I will tell them that council didn't act on it.

Joe McCracken made motion to allow Tim Taylor to handle the situation.

Rod Cury seconded the motion. Motion Carries 6/0

There were no further comments at this time. Joe McCracken made a motion to adjourn; seconded by Rod Cury. Motion passed 6/0.

Jannis White, Mayor

Julie Cordle, Interim Clerk