

The Richlands Town Council held a regular monthly meeting in the Richlands Council Chambers by "Zoom on May 12, 2020 at 7:30pm with the following present:

Mayor:	Paul Crawford
Town Manager:	Tim Taylor
Town Clerk:	Connie Allen
Council Members:	Richard Brown, Mary Ann Strong, Rick Wood, Doug Ratliff Rod Cury- (ATTENDED BY "ZOOM" DUE TO COVID-19)
Town Attorney :	K.W. McClanahan (ATTENDED BY "ZOOM" DUE TO COVID-19)

Mayor Crawford opened the meeting.

Kevin Blankenship gave the invocation and led the Pledge of Allegiance.

Mayor Crawford – Do we have any additions/deletions/corrections to the agenda?

Mayor Crawford – Do we have a motion to approve the agenda as presented? Rod made the motion to approve the agenda as presented, Rick seconded the motion.

Mayor Crawford- We have a motion and a second, any further discussion? All those in favor of the motion say yes. All those that oppose say no. Roll Call - Rick – Yes, Doug-Yes, Rod- Yes, Mary Ann – Yes, Richard- Yes. Motion carries – 5/0.

Mayor Crawford – We have five (5) sets of minutes, Regular Council Meeting and Budget Work Sessions. Are there any corrections, additions or deletions to the minutes?

Tim - May 4 – Page 3 - Under Discussed Library - reads "If it is not used as a library goes back to the Williams Family" should read "If it is not used as a library goes back to the Williams Family for a sum of \$221,400 to be paid to the Town before they take ownership".

Doug - What if they don't pay the \$221,400?

Tim – It becomes the property of the Town.

Mayor Crawford - Do I have a motion to approve the minutes as amended?

Mary Ann- I make a motion to approve the minutes as amended, Richard seconded the motion.

Mayor Crawford- We have a motion and a second, any further discussion? All those in favor of the motion say yes. All those that oppose say no. Roll Call - Rick – Yes, Doug-Yes, Rod- Yes, Mary Ann – Yes, Richard- Yes. Motion carries – 5/0.

Mayor Crawford – "Mayor Comments"

Mayor Crawford - I requested Council to be here tonight so we can begin to come back together, I think after Friday a lot of things will start opening back up with social distancing. I feel good about having Council in the same building.

Mayor Crawford - I do have a couple of things, I was asked to come and look at a street at Hill Creek, it is washed out really bad, I didn't talk to anybody about it but it needs something done I just don't know what. I have had two (2) concerns and I would be a third one concerning speeding in Hidden Valley, especially on Terry Drive and up around Crestwood. I have seen it a lot myself. I have heard Ernest say several times we could use his driveway to park if we wanted to. I think we should make an effort to get something done, it is pretty bad.

Tim – Ok

Mayor Crawford – What about the curve at the McClanahans, is anything happening on that?

Tim - Yes, we made improvements, we tried several times to block the access to the four wheelers down thru there.

Mayor Crawford - I sorry I meant the McClanahans in Hidden Valley.

Tim - You are talking about the Joyce's, correct?

Mayor Crawford – Yes

Tim - I talked to him and we are going to meet. That is one of our first scheduled projects once paving is open. It is open now but we are taking care of potholes.

Mayor Crawford – “Council Member Reports” – Richard Brown

Richard – I don't have anything.

Mayor Crawford – “Council Member Reports” – Mary Ann Strong

Mary Ann – The Rec Commission will meet Monday night, not sure if we will meet at the Rec Park or by Zoom. We will make an announcement.

Mayor Crawford – “Council Member Reports” – Doug Ratliff

Doug – I want to clear up some misinformation. I would like to read a letter from Ron Holt from Bluefield. I don't like to comment on other Town's business, but I felt like I should clear since my Town's business was discussed during their Council meeting. (Read the letter). I just wanted to clear that up. The next thing, there was some things said on Facebook that I want to clear up. I think Mr. Brown put this on Facebook, he stated the grant was a federal grant for part-time position as a Resource Officer at Richlands High School. It is not, it is a state grant and it is a full-time position. That is what the grant was allocated for. The next thing, he said it was zero expense to Richlands as a taxpayer and he was paid by federal grant. That is not “true” it is local match fund, so he is paid directly from Richlands. A lot of the funds come from Richlands; he takes his orders and works at the Richlands Police Department. Another thing I want to point out, two (2) people on Council have conflicts of interest and should not take a vote on dispatch. The first one is the Mayor, he has relatives that work at dispatch, in fact he has three (3), so he has a direct conflict. The next one is Mr. Brown, he is paid directly and works for dispatch in the Richlands Police Department and has relatives himself, his son and I think his niece, Hannah Crawford. I think they should not take a vote that is my opinion.

Richard - In reference to the letter you read about Bluefield, I did not receive any information from Bluefield. I received information from the Town of Tazewell; he used numbers they had been provided from Bluefield. For them not to lose any more police officers they approved the Valors portion of VRS for officers directly from them. Regarding dispatch, are you aware that they did not give up dispatch? They still have “7” day a week coverage from 8am to 8pm

Doug - They have one (1) person in the office, and she does paperwork, 911 will be handling their dispatch.

Richard - You need to check with the Chief of Police in Bluefield, he stated on the phone “7” days a week from 8am to 9pm. The only thing they will be dispatching will be from 8pm to 8am. They did not lose but one (1) employee who was a part-time employee; one (1) employee was already leaving. The other two (2) dispatchers are still full-time day shift. They are keeping their dispatch in line with all their equipment to transfer back over just in case they need to.

Doug - I will read a sentence from Ron Holt, he is on Council. This is a straight quote " We are transferring dispatch services to the Sheriff's office contrary to what Brown says it was not done to give the Police Department a \$6000 pay increase" he is on Council and he is on the Police Force.

Richard - I am just explaining what the Chief of Police told me, they are not giving up 24 hr. dispatch.

Doug - Can you bring a letter to next Council meeting?

Richard - If you don't believe me I will, that is fine. Regards to the grant position, I take offense to that. You stuck your nose into something regarding a grant that could possibly affect the safety of the kids in this community. I am federally funded; it is passed from the federal government to the state government and the state government administers the grant. The lady you talk to in Richmond, yes, she is my boss. The in-kind match that I get paid is not in salary whatsoever, it is in 2005 police car and they provide the gas and the uniforms, which makes up \$11,000. It cost the citizens \$0 out of pocket for me to be at the school.

Doug - I have the grant right here, it is a full-time position, the state provides \$34,865 of a local match of \$12, 300.99, You are paid \$47,254.00 for part-time work and it is supposed to be full-time work. You make more in part-time than most of our officers make full time.

Richard - I would be happy to make \$47,000 myself. It is not what I make, you can ask Ms. Cordle.

Doug - I have it right here.

Richard - I don't care to make it transparent. The problem is, you have reached out to people involving these grants that are administered to the Town. Then you are standing by saying we need to get grants. If I was a grant administrator, I would not want to fool with you. Why give the Town of Richlands a grant to provide safety for the kids at school when they have to deal with a Council member.

Doug - We are not talking about safety for kids we are talking about this grant was for a full-time position, you guys changed to a part-time and you are paid \$47, 254. 00 , that is what the grant says.

Richard - Relatives at the Police Department causing a conflict of interest, I do have a son that works there, just like your son working at the carwash; he is following his fathers' footsteps. Not many police officers are willing to stick their neck out on the line for average salary of \$35,000 a year. That is what the average police officer in Richlands gets paid. You may say I am overpaid or whatever, that is the way the system goes when it comes to police work. The Sheriff's Department, local police, state police they follow in the father or mothers' footsteps, it is nothing unusual. I have no clue where you came up with the name Hannah Crawford being my niece or the Mayors, just because she has the same last name. Does that make you kin to every Ratliff in Richlands? You accused us of having a conflict based on having a niece that works at the Police Department, that is not true and the public needs to know this stuff is not true.

Doug - All of it is true, I am proud of your service, I thank you and your son. All I am asking, you have a direct conflict in making decisions and voting, because you work there and your son works there, you have a direct conflict. I am not disputing your service or how proud you are of your son. You should not make a decision that has a direct effect on you and your son. You and your son do work dispatch part-time.

Richard - I think since I retired, I have been in there twice.

Doug - But you have worked dispatch. You have a conflict of interest. I don't care what they say up here I have the grant. It says you make \$26.00 plus an hour for 1600 plus hours. I don't know what is on the payroll, but I know what the state thinks you are doing. I have it in black and white.

Mayor Crawford - I think in cases like this we need to ask the state attorney general to give us an opinion, Doug if you want to push to that point. That is the route I would rather you take.

Doug - I just wanted to point out that both of you have a direct conflict. That is all I am asking and stating. I have a black and white copy of the grant; I don't know what the payroll states, but I know what this grant was for \$26.00 plus an hour for 1664 hours. That comes to \$47, 254 for part-time work.

Richard - I work 180 days a year, 8 hours a day that is the school schedule.

Mayor Crawford - Doug if you want to press it, I would advise calling the Commonwealth Attorney to get a decision on it. I don't know if I had a conflict because of Hannah Crawford or Richard, which one?

Doug- Your son and grandson works there. I am not pushing anything, but I am letting it be known that it is a conflict. When I have a conflict, I do not vote on something. I think if you have a direct conflict, I think you should not vote. I think both of you do.

Mayor Crawford - I don't agree that we do, that is what the attorney general is for, to give a decision on this type of thing if you want to ask for it, we will abide by it.

Mayor Crawford - "Council Member" – Rick Wood

Rick - I don't have anything.

Mayor Crawford – "Council Member" – Rod Cury

Rod – I have talked to citizens in Lake Park and in the Jewell and Iron Street area, they are very appreciative of the Town's work in helping clean creeks and ditches, they wanted to say thank you to the Town and to the Town Manager. Dr. Brown of Brown Chiropractor asks to please tell the Council in formal session how appreciative he was for all the help during the big flood in February that he received around his business. I wanted to express his gratitude to the crew and the Town Manager and everyone else.

Mayor Crawford - I want to come back with a final comment, we are getting pressed for time on the budget, and the Town wants to be involved in the budgetary process. We need to have them involved. What I suggest and I challenge Council to do tonight is to come up with a proposed budget that we can advertise for public reading. A proposed budget does not mean a passed budget. We need to hear public's comments, we will get it out there so the public can be involved, and we will go forward to get the budget approved by the deadline. Does anyone have a problem with trying to do that tonight?

Mayor Crawford – "Manager's Report" – Tim Taylor

Tim - Please look at the check registers, I would like authorization to pay the bills. You have a copy of the first of the month bills. Some of the checks are for refunds where people close their account or whatever, most of the items are things you are aware of.

Rod - Adrienne were you able to email a copy of the check register to me?

Adrienne – Susan was supposed to email to you.

Mary Ann - Check No. 7936 American Carpet Care - \$31,070.00 – Dec. 2019/March 2020/April 2020, is that for three (3) months?

Tim - They missed one (1) bill they found in December for some trash pick-up, the rest is January-April. We used them mostly for clean-ups and we had to hire them thru the flood to help with some of that clean-up.

Mary Ann - That is what I thought.

Rick - The last check register was a pretty big amount too.

Tim - Could have been the flood, I can double check on that.

Mary Ann - I want to emphasize I am very pleased with American Carpet Care, just wanted to clarify how many months that check was for.

Doug - A lot of that money comes from VDOT, correct?

Tim - Other than clean up details during the flood. The only streets that don't apply are on the by-pass it is the state's responsibility, but they only mow approximately twice a year we could not live like that we had to pay out of the taxes.

Rick - I know they mowed my street and it don't need it.

Tim - We talk to him about that, not sure what happened. He is only supposed to do the commercial areas.

Rick - All our people mow theirs.

Tim - Check No. 7946 – Bowen National Research, LLC - \$10,000.00 The housing study it is a grant funded program for the Richlands Professional Building Project and the Housing Rehab Project. We will get reimbursed back from the State of Virginia. We will distribute to Council. I was very pleased with it and I think you will be too, has some valuable information. Check No. 7998 Thompson & Litton, Inc - \$97,986.90 That is a two-part payment, it is the first payment of the final design, monthly payment of \$72,458. The difference in this check was \$20,000 in surveying /technical services performed at the WWTP. These will all be reimbursed to the Town once the loan is closed for the WWTP.

Rick - When that happens, what do we do, does it go back into the general fund?

Tim – Yes, tonight I am going to ask for an authorization for drawdown from National Bank for this money and includes the four (4) previous checks for \$45,000 plus the \$73,000.

Rick - That goes back with what we are borrowing.

Tim – Yes, we pay out of our money and replace back so we don't lose our cash.

Mayor Crawford - I will entrain a motion to approve the checks to be paid.

Rod - I make the motion to authorize the Town Manager to pay the bills, Rick seconded the motion.

Mayor Crawford- We have a motion and a second, any further discussion? All those in favor of the motion say yes. All those that oppose say no. Roll Call - Rick – Yes, Doug-Yes, Rod- Yes, Mary Ann – Yes, Richard- Yes. Motion carries – 5/0.

Tim - Authorize Line of Credit drawdown from National Bank for Wastewater Treatment Plant Rehabilitation Project costs paid to date and for current month billing for a total of \$281,130.

Doug - I make the motion to allow drawdown from National Bank for \$281,130, Mary Ann seconded the motion.

Mayor Crawford- We have a motion and a second, any further discussion? All those in favor of the motion say yes. All those that oppose say no. Roll Call - Rick – Yes, Doug-Yes, Rod- Yes, Mary Ann – Yes, Richard- Yes. Motion carries – 5/0.

Tim - I have been working with the Tower Company which we lease land to. I have not talked to Mr. McClanahan but will get a copy to him. They made a proposal for us to consider helping facilitate a possible 5G, Verizon is the carrier but has access to the tower, the tower is managed by a 3rd party, the 3rd party manages their lease and properties. They want a longer-term type of commitment in order to entice Verizon to provide 5G. If you believe in what they are saying, without that Verizon will not consider other locations. They just want a longer-term lease on it so they can carry forward, for the convenience of doing it they will give the Town \$10,000. I will give to Wayne to see if we can do longer-term leases and will give to Council to look at for consideration. It will also help for us to market 5G network in Richlands. I will get to you by next month.

Richard - I have an update on the banners for the High School, they finally got the digital version of the senior pictures, they are only five (5) seniors short of having the total class. Pictures will be turned over to project graduation to make the banners. The banners will be 2 ½ x 3 ½ and will have a loop like a curtain rod to hang on the flag poles. Is it possible to use the existing flags we have and take the flags off and hang the banners on the brackets we already have? I think there is 175 of the banners.

Tim - We will do whatever you would like for us to do.

Richard - They should be ready in the middle of next week.

Tim - If we don't have enough slots can we do other things with them?

Richard - I looked from Richlands High School all the way down to Richlands, we should be close in having enough.

Rick - Do our poles have a straight rod they can put them on. I just want to do something for the seniors since they got robbed of their graduation.

Richard - The black ones do.

Tim - We will make it happen; Connie has been working with the school too.

Tim - I just wanted to mention as part of community development Connie has been assigned different things to focus on. Right now, she has been trying to help the businesses in Town to provide them access to any type of loans/grants or things that will help keep the business afloat. Based on the governor's Executive Order 61, most communities have cancelled their mid-term summer events.

Connie - The governor said we are 10 to 12 weeks out from Phase 3, which will be the beginning of August. Tazewell, Abingdon and Salem have all cancelled their events for June/July. I need to know what Council wants to do about the July 11 event, the way the governor is talking it is not going to be possible to have the event.

Rick - I think we go ahead and have the fireworks; it is so spread out over town. That is honestly all I see because today they petitioned to open a pool in Lynchburg, and he turned it down.

Connie - I think even if we had the event people would not come.

Rick - That is my thoughts.

Tim - We didn't want to wait in case you wanted to cancel the fireworks. We have signed a contract, but we have not paid any money. Did you have time to review the contract to see if we could get out of it for force majeure?

Connie - No, but I will.

Tim - We just need direction on what to do.

Rick - I make a motion we go ahead with the fireworks as planned, Doug seconded the motion.

Richard - Is it possible to move the date from July 11 closer to July 4?

Connie - I can check to see.

Rick - I am good with that, close as we can get to July 4.

Mayor Crawford- We have a motion and a second, any further discussion? All those in favor of the motion say yes. All those that oppose say no. Roll Call - Rick – Yes, Doug-Yes, Rod- Yes, Mary Ann – Yes, Richard- Yes. Motion carries – 5/0.

Connie - We will continue with the fireworks. I will try to get closer to July 4 and cancel the event, correct?

Richard – Yes

Tim - Connie is also in charge of the grant programs that have been delayed, we had some finished, but they moved the deadline out a few months. She will manage the grants thru-out the summer and hopefully get ready for the Fall event.

Connie - I would also like to mention the CART building has been completed except for painting the outside. This was part of the CPROP grant.

Mary Ann - Are you still in need of a small conference room table?

Connie – Yes

Mary Ann - Anyone watching on Facebook or anyone who has access to small conference room table please get in touch with Connie Allen at the Town Hall.

Mary Ann - I would also like to thank Ginger Branton and Connie for the “Front Lines Hero Thank You Parade” that started at the Richlands High School and circled thru Town and down to Clinch Valley Medical Center and back, a way to say thank you to everybody on the front line fighting COVID-19.

Mayor Crawford - I had in my packet an application from STAR 95 for \$100.00 donation toward graduation.

Tim - Looks like they want to donate money to them to cover their advertisement. I will look into it.

Rod - It might be better if it was a bill, it is an advertising campaign and they charge businesses for it, suggest it was not a donation but an invoice to be approved.

Mayor Crawford - You can clarify and let us know.

Mary Ann - I would like to mention we also need to support our local WGTH station too, if we advertise with one, we should do both.

Richard/Doug - I agree with that.

Doug – Before we get into the budget, I would like to make a statement, we have two (2) departments that make up 70% of the budget that is the Police Department and the Rec Park. I want to urge that we look at those budgets and try to cut them down a little bit or we are going to have to raise taxes every year unless we cut the budgets. An example, Tazewell has a pretty good program, they fund their Rec

\$240,000. We have \$400,000 in our Rec. If you can imagine everything, we get from businesses revenue and "BPOL" tax goes straight to the Rec Center, it takes every business in Town to keep up that one(1) department. That is unbelievable. I urge us to look at those two (2) departments. We could have a good 911 system that we already pay for and save \$250,000. That would cut the Police Departments budget and would only be taking 60%, if we did away with dispatch and we would have much better service and 911. As far as the Rec Dept. need to cut the \$400,000 budget.

Mary Ann - The revised Rec budget is \$282,500, that is a big improvement.

Doug - I think what has helped is you are closed.

Mary Ann - This is the new budget going forward.

Adrienne – That is opening the facility in September, if you open in July it will add another \$62, 000, it is \$282,000 if it opens on September 1. If the pool can't open per the governor's executive orders that would bring the \$62,000 down quite a bit.

Doug - What can we count on the budget being?

Adrienne – It is the discretion of Council if they want the facility open as soon as the governor lifts the order, which it looks like it going to be difficult until we get to Phase 3.

Mary Ann - I am a strong advocate when the governor does open Rec Centers that we need to open. As much as I like the pool, I don't think they are going to be allowed to open. I think we are doing a disservice to our kids if we don't allow them to go to the Rec Park, there is a lot of bad that kids can get into. If any way possible I think we need to open by or before September, I don't think will add that much money.

Doug - I agree the kids need a place to go , only thing I would urge that we cut hours and cut the budget. School starts in September, correct?

Adrienne – The budget reflects September 1 and a reduction in hours during the weekdays.

Doug - Maybe opening at 3pm or 4pm.

Adrienne – Yes

Doug - Just cut as much as you can, of course the kids need a place to go and we need to take care of them, but we want to make sure we can afford the budget too. All I would ask the Rec Committee to cut the hours as much as possible to stay within the budget of \$280,000.

Mary Ann - That is with reduced hours.

Doug - An example, Tazewell has a budget of \$600,000 dollars but they make up the rest on grants and donations, they only put in \$240,000, they have a bigger budget than we do yet they only put in \$240,000. That is what I would urge the Rec Committee to do, get a grant writer and get some grants to help the kids. They got a \$300,000 grant, if Tazewell can Richlands should be able to.

Mary Ann - As far as gifts and donations the budget from 2018 to 2019 we did get \$42,150, when a lot of work was done 2015-2016, we received almost \$40,000.

Doug - Did that go toward the budget? We still had a budget \$408,000; it didn't help the budget it was spent on other things. I am looking for things to help the budget. Tazewell received \$51, 000 of donations that went straight to the budget. When we get a donation, it doesn't help the budget it goes for something else like bleachers or if Little League needs something or whoever is in control. It would

be great if you could get \$100,000 donation and cut \$408,000 to \$308,000 but it never happens. That is my concern.

Mary Ann - The money went to huge renovations, floor, weight room, etc.

Doug – I understand that but if you spend \$408,000 every year and it takes every penny of all the business revenue and “BPOL” tax it completely consumes all the businesses. If you get a donation of \$40/\$50 thousand , need to get the budget down so we can afford it. The budget is in terrible shape. Seems the population goes down and the revenue goes down, but the budget goes up and there is going to be a “D” where we can’t do that. I think we are at that point.

Rick - Do we know what COVID-19 has done to our food tax yet ?

Tim - Somewhat, we were off around \$10,000 last month.

Adrienne - Around half of a month.

Doug - I think it will be a bigger effect than that in two/three quarters. I think you will lose 30% to 40% of the revenue that you projected. One of my business we had to close lost \$150,000 already. It is going to affect a lot of things.

Mary Ann - There has been a lot of talk about concession and the cost. Adrienne gave me some reports on revenue and expense on concession. I am for the food truck idea especially when we have basketball, soccer packed events at the Rec Park if we can find a commitment , I think we will still have to have gatorade and water at the counter for the kids. Last year we didn’t make a lot of money, but we didn’t have a loss, we had a \$2321 profit and this year \$7316 profit. All the measures have been taken and there has been a lot, cameras, computerized system, the \$35,000 loss rumor is false .

Tim - Summarize - The first proposed budget of the recommendations from staff based on the memorandum that I gave to you. The second scenario we took out all the increases that we had proposed so Council could get a feeling of the deficit that we have. Adjustments are made in saving the additional expenditures to the Rec Park budget and you could realize public safety of \$95,000 increase that will also help the budget. We are still looking at a debt that needs to be fulfilled, the fire truck is due and a long-term type commitment to make a payment of \$79,000 a year we have those proposals in the budget. We have looked at and adjusted along the way, numbers reflect in the final proposed budget. We need to get a proposed budget in the papers so people can review and make comments. If you could get the governmental accomplished tonight and balanced that is what we need to do, either taking recommendations from staff or whatever the Council wishes to vote on. In utilities we had initially talked about, going forward the electric will be modest increase going forward in the next several years for power supply. I don’t think in today’s challenges we can do anything with utilities. As far as electrical is concerned, knowing we have to do adjustments for utilities for water and sewage, I will talk about water and sewer in just a few minutes. We are not proposing any rate increases in this particular budget July 1, water, sewer and electrical. Council will have to look at water and sewer in the next couple of months based on the cost of service study that is presently being performed. I don’t feel uncomfortable with making recommendation, the cost is going to go up, we have stabilization money in that fund that will levelize that problem. The problem with governmental we don’t have any money to stabilize market changes or economic downturns, COVID-19 type things, that is why we are struggling on the governmental side. I urge you not to transfers any monies from utilities just because of the unknown for the water and we probably will lose money next year in the electrical department, that will be buffered by the reserves that we have. We should have substantial reserves left in that fund. Tonight, we need to just try to balance the budget so we can get it to the papers.

Doug - I notice in your budget you don’t take certain things into consideration and one is capital expenditures. Every year we don’t include capital expenditures, we estimate \$350 to \$400 in capital expenditures, is that right Adrienne?

Adrienne - We don't have anything this year in capital expenditures but typically you always have capital.

Doug - Last year \$350,000 was spent on capital expenditures.

Adrienne - Yes

Tim - We purchased a garbage truck.

Adrienne - \$388,000

Doug - Every year we blow thru the budget because we don't take into consideration capital expenditures. The \$388,000 should have been included in the budget.

Tim - It was included in last year's budget, it always is. We don't have anything in there this year because we don't anticipate buying anything for electrical, water or sewer unless something just breaks down, we will deal with it individually. Since there is no extra money in the governmental, we will have to deal with it case by case. Council said we may have to borrow money along the way. We are not anticipating buying; we are going try to make out without buying anything.

Doug - You always plan on not buying but you always do. We always come up with a balanced budget. Ten years ago we had millions in reserve and we blow thru the budget and over spend, by my calculations, we are 1.6 million in the hole, spending all the reserves, if we do a balanced budget every year how are we spending our reserves and going in the hole 1.6 million.

Tim - Every year we have a capital budget and every year we have operation and maintenance but since 2010 we have had to use the reserves to meet the capital budget. If you will look at the chart, we sent out you can see that the capital is finally gone. Nothing wrong with that everybody does it. The trouble is there is no money on the governmental side.

Doug - What I am trying to tell you is that you do a budget knowing that you are going to bust it every year and go in a hole.

Tim - We have not busted it every year.

Doug - If everyone stays within their budget how do we go over and in a hole 1.6 million dollars. I don't understand.

Tim - We have monies in the budget to cover what you are talking about; we don't have the monies in governmental to support the capital needs. It is because we don't have enough taxes.

Doug - It is because you won't cut your budget.

Tim - That is a discussion for Council.

Doug - That is what you always come up with is to raise taxes. When you do your budget this time you need to take into consideration your capital expenditures because you are going to bust your budget again if you don't, you need to take in the million dollars we had to spend of VDOT money that we have to put back because we owe and the \$280,000 short in your budget. You are \$1.6 million dollars in the whole before you start. You come up with a budget to make up the \$280,000 and forget your capital expenditures and forget the million dollars that you have to put back some day. I don't understand how you do a budget I really don't.

Tim - We have enough monies ten years ago to meet a ten-year decline in capital expenditures, it is finally used up. We also had a budget that would produce money into that. We have not been able to raise anything to make that happen. If Council wants to cut you can start carving, we don't have any

reserves to cover the capital. We can meet the operation. The people in the Town of Richlands demand a certain amount of service and that costs money. There is no way if you expect the staff to come up with those type of funds by cutting services, we can make recommendations, but we can't do anything without Council voting on it.

Doug - I am not asking you to cut services, we have ways to do it and I have mentioned before without cutting services and getting better services. I think you are doing a disservice to the Town when you put forth a budget and you knowing are not sticking to the budget.

Tim - We meet the budget every single year.

Doug - It is not true.

Tim - It is true.

Doug - How can you stay within your budget and you have reserves and you spend your reserves. Why did you send a million dollars of VDOT money if you were staying in your budget? You spent money that you should have not, and we have to put back in.

Tim - Council puts appropriation ordinance that allocates the money every month, you see the checks that we pay, every month you look at the budget. There is not enough money to support the services.

Doug - Why don't you do a budget that reflects, you put capital expenditures that you know you are going to spend \$380,000.

Adrienne - If you look at the budget the reason there is no capital in the previous year's capital was budgeted because there was a reserve to cover that, if capital was necessary that year. This year going forward that is not enough revenues to cover the operation and maintenance cost and the capital. What we did to balance the budget this year we can't make any capital purchases at all, based on every cut that is made in the departmental budgets to function daily. What you are saying we need to increase taxes more than what we proposed, or we have cut all the capital out.

Doug - Can you promise me that we will stay in this budget and we won't go in a hole anymore. You can't promise me that.

Adrienne - No capital equipment will be purchased unless it is brought before Council and they agree to make appropriations either a loan or line of credit or a way to purchase, example of a fire truck.

Doug -- What has caused us to bust the budget every year?

Adrienne - Look at your current budget .

Doug - You did not include capital expenditures in the budget.

Adrienne - Capital expenditures is \$388,000, we purchased \$322,000.

Doug - I don't understand if you accounted for everything, everyone says they are staying within their budget but every year we go in a hole. I do business if I have a budget and I stay within the budget to make money and I am going to make money, or I am going break even. You are telling us you do a budget every year but somehow, we go more in the hole, I don't understand.

Adrienne - We can't bust our budget however by law when we have an audit done annually. Every department is audited, if any department exceeded their budget by only 1%, we have to by law go to Council and ask for appropriations. That is each department that is not the total budget.

Doug - We spent one million dollars of VDOT money that was not ours, where did that money go if everyone stayed in their budget? Why did we have to use that money for other purposes other than what it should have been, if we had a correct budget.

Tim - The money is there; Council can appropriate that money by law. We chose to show the VDOT money separate so we can get a planning activity to replace that money thru some type of fees, that is how that works. The money you are talking about, if you will remember we can go back and look, every year we started on this decline about the last five (5) years we seen the losses coming. At the end of the budget work session I always make a statement we are not fully funding our CIP program. We have no way to do that with the current funds we have, the staff cannot impose taxes we can't make cuts. The Council chose not to make cuts and chose not to raise anything.

Doug - Do we have to put the million dollars back to VDOT?

Tim - No, we account for it.

Doug - You told us in the meeting that we had spent VDOT money and we should have not on the budget, and we have to figure a way to put it back in. All I am saying when you do a budget you should take everything into account, the million we owe VDOT and capital expenditures.

Tim - We don't own VDOT you use the wrong terms, It is fully funded to be able to transfer monies from the general fund pot to cover that, every locality that gets money from VDOT has to save some of that money to be appropriated for roads. If we had to cash out which we don't have to do, we have money to cover that in a fund. We have not done anything wrong. You would have gotten something from our auditors if that was the case. This is for planning purposes.

Doug - I talked to the auditors, they say we have spent the million dollars, I am not saying it is illegal, they say every Town does it, but we have to make up that money.

Tim - We will have to make up the money.

Doug - OK, we spent money that was not ours that we have to make up. You never take it into consideration in the budget and we go in a hole more and more, if you included all these things in the budget and how critical the budget was and start cutting some things we don't need like dispatch, cut the Rec a little bit instead of making it up on more taxes which you are running people out of town. They can't pay their electric rates, that is all I am asking.

Tim - We compare localities and I don't like to do that; we do not have a personal property tax, so it makes it very difficult to generate any monies, every other town has that. We have an antiquated real estate tax that has never been raised in 34 years.

Doug - It is misleading, when you say the rates have not went up. Every time the county raises their taxes it raises in Town. If you have a house that is worth \$75,000 and you are paying \$0.16 a thousand as quick as they reassess it again and your house goes up to \$100,000 you are paying the \$0.16 on \$100,000 and your real estate has gone up.

Tim - When that happens, we advertise in the paper it is an effective tax increase. I just told you the rate. If you will look at the financial statements for the last ten years, the monies have gone down the last few years because the reassessments have dropped so we lost money during that time. That is a problem too, it doesn't always go up.

Doug - Everything I had in Town went up.

Tim - Can I finish about the taxes?

Mayor Crawford - No, lets move on.

Mayor Crawford – If we do a tax increase the tax payment is going to go up it is going to affect everyone that owns real estate. I will pay my part gladly to be able to keep our Police Department intact, our Rec Department intact and not give up another thing. We have given up too much, we have given up a whole crew from the Street Department, the guys we have out there now are working but they can't keep up. We can't get potholes or sidewalks fixed. I will gladly pay my increase in real estate taxes. I don't have a problem with it as long as I get the services. I think in January you all voted to buy a fire truck, I told you then we are going to have to raise taxes and you all voted for it. Well here we are. I don't want to give up any more services.

Doug - I can pay my taxes and you can pay your taxes, I get calls all the time, I get \$800 a month and my electric bill if \$400. I know that Tim said we would not raise electric, but I am sure they will go sky high. If we raise taxes on those poor people that have a set income, they can't pay these bills Our population has went from 7000 to little over 4000 now. Every time we raise taxes people move out of Town because they can't afford it. In a few years the ones that gladly pay their taxes are going to be by their selves.

Mayor Crawford - I have poor people in my family but they don't own real estate. I don't want to get into judgmental discussion on people's economic welfare. We need to get a proposed budget out so the public can comment on it.

Mary Ann - I hear all the time Tazewell has this and Bluefield has this I would like to know how our meals tax, cigarette tax, real estate tax compare.

Tim - I talked to the Town Manager at Tazewell, they proposed to meet their needs of what is going to happen, \$0.04 on their real estate taxes and another percent on the meals tax which puts them to 8% and they are going to maximize or a least increase their BPOL tax on professionals and raise the cigarette tax, that is what they have to do the meet their challenges and they did not buy a fire truck. Bluefield has a Walmart and a Sam's they have all kinds of commercial business that pay taxes. They have higher real estate taxes then we do I think it is around nineteen cents they also have meals tax 6 ½ cents and they have personal property tax. Other people are facing challenges. We don't have Walmart or a Lowes. We lost Magic Mart and we have lost some more.

Doug - If you have a \$20 meal at Claypool Hill and you put this tax on you will pay \$1.50 more in Richlands than you would at Claypool Hill, \$1.50 is quite a bit, A dollar fifty here and there and raising other services the Town does, it all adds up. Each person will average around \$50 when you add all the taxes on them. Right now, the businesses are closed they can't even open, they can't make a living and no income coming in, it is a bad time to raise taxes. Instead of raising taxes you should be helping them but cutting your budget on this we don't need.

Mayor Crawford - We have to get to the point to get a proposed budget out and get the public comments. We had a consensus on dispatch last meeting we had as far as I am concerned things is the way it should have stayed.

Doug - Why don't we vote on that, open vote?

Doug - I make a motion we give 911 our services, save \$250,000, most citizens know they will be a lot safer without the delay, Rick seconded the motion.

Mayor Crawford- We have a motion and a second, any further discussion? All those in favor of the motion say yes. All those that oppose say no. Roll Call - Rick – Yes, Doug-Yes, Rod- No, Mary Ann – No, Richard- No. Motion carries – 3/2.

Mayor Crawford – That is the end of that discussion.

Doug – Fair enough

Mayor Crawford - Anything else we need to bring up or vote on?

Doug - If two departments take up 70% of the budget nothing to vote on if we won't cut any of them.

Tim - Adrienne can you speak on what we have to do unless Council wants to cut anything else. Real Estate increase \$0.03/\$100, meals tax 1% on gross sales, increase \$10 in motor vehicle license fee bringing to \$20/vehicle, increase \$20 in mobile home license fee bringing fee to \$40. Couple other things we can talk about like the library; we can talk about later if we do all that.

Adrienne – If you do all the increases that I've talked about \$250,700 year and then consider possibly additional public safety funds \$95,000 that would bring your budget to positive to \$28.9 for operation and maintenance with no capital.

Tim - That gives you a balanced budget.

Doug - Do you have any capital expenditures in there?

Adrienne – No

Doug – If you don't have capital expenditures in there you know you are going to break down. You know something is going to go wrong. You should have capital expenditures in there.

Tim - If it is in utilities, we have reserves, if it is in governmental Council has to deal with it on month to month basis.

Doug - If you don't have capital expenditures you know things are going to go wrong they always do, you should account for in your budget or you are not going to stay within your budget.

Doug - If you give the true picture of the budget and how much we already are in a hole they would start cutting the budget, you hide what we are in the hole. You do a disservice to the Town.

Tim - Is Council confused on this?

Rod - I don't think the Town has ever tried to purposely misrepresent the budget. We all have been part of this for a long time. I think it is unfair to characterize misrepresentation like something is wrong and it's not. We have always tried to be transparent with the budget and explain it. It is complex sometimes but try to make the best decision as I can.

Doug - If you don't put everything you expect to spend in the budget it is misleading. If you don't have capital expenditures you know the truck may break down, you need to include in the budget.

Mayor Crawford - I agree with Doug on that, if you don't make plans for some type of capital expenditures, we are fooling ourselves, it is going to happen.

Tim - How are you going to do that, I don't have any suggestions unless you cut core services/public safety.

Doug - What you are saying are core services, we go to 911 and save \$250,000.

Mayor Crawford - Doug, I don't mean to be rude, but we already voted on that.

Doug - Ok, I don't like it when Mr. Taylor says we have to cut core services, we can cut Rec and cut hours and not lose service .

Tim - If you want to cut Rec, let's talk about it.

Doug - The only thing we can cut that would help us tremendously we voted no. Two (2) people voted that had a conflict of interest.

Richard - We will talk to the Commonwealth Attorney or whoever you want to, I'm not calling any names out but talking about conflict of interest, does Mr. Woods not do contract work for you? Is that a conflict of interest?

Doug - He don't work for me; you work every day.

Richard - Let the attorney decide, I work 14 hr., 40 hours a year less than 80% what I could work, the number in the budget is what I could work.

Doug - The department you work for you voted to keep it, benefits you personally.

Richard - Are you not going to vote on the budget that benefits you personally due to real estate tax, meals tax?

Doug - That is the silliest thing I have heard, everyone here owns real estate, that rules us all out.

Mayor - We will get the attorneys decision on that.

Richard - One common denominator in the past 10 years has not voted on the first budget. Every time there has been a cost increase you passed along to the customer, that is what we are trying to do here, we have to pass on to the customer.

Doug - You know why I voted against every budget, million of dollars in reserve now we are 1.6 million in the hole, I knew this would happen. In the next few years we are not going to have a choice it is going to get worse.

Rod - Mayor you are right about the conflict of interest, needs to be addressed by Commonwealth Attorney, slandering people is not right.

Doug - Rod, to point out conflict of interest is not slander, that is a bad statement, I'm sorry.

Mayor - Are we going to get proposed budget tonight?

Richard - I make a motion to approve the proposed budget with increases, Mary Ann seconded the motion.

Mayor Crawford- We have a motion and a second, any further discussion? All those in favor of the motion say yes. All those that oppose say no. Roll Call - Rick - Yes, Doug-No, Rod- Yes, Mary Ann - Yes, Richard- Yes. Motion carries - 4/1.

Mary Ann - I would like to point out this is a proposed budget to get out to the public for public hearing so we can approve or not approve.

Richard - I think I may have overstepped my bounds and Doug too with the issue of conflict of interest, I would like to ask the Town Attorney to proceed.

Mayor Crawford - Wayne, you understand that?

Wayne - I will get the information and if the Council desires I can write a memorandum and reach out to the Attorney General's office.

Mayor Crawford - I would like to have that done. If there is something that prevents Richard or myself from voting, then we should abstain to vote. How long will it take?

Wayne - I should have some clarity by next week, will depend on how complex the issue turns out to be. I will seek the opinions of the Attorney General's office, the time on that is out of my control.

Richard - I want to apologize to everyone.

Doug - I voted "no" because I am not satisfied with the budget, public will decide.

Tim - There will be a public hearing in June, will get out flyers so public will be able to participate by zoom or other electronic means.

Mayor Crawford - It may work if we set up a podium, they can wait in their cars and come in one at a time.

Doug - Can you explain again please.

Mayor Crawford - Anyone who wants to address the Town Council on the budget can come to the Town Hall, we will have someone at the door to assign numbers, they can stay in their car until they are called to come in.

Doug - Maybe the Governor will open a little bit more and we can have meeting as normal.

Mayor Crawford - Kevin, do you know how they are doing drive in church to broadcast to everyone thru their car radios? It would be great if we could do that.

Kevin - I can do that.

Rick - The power generator at the water plant, did we ever fix it.

Tim - We can use for emergency backup, has to have a converter put on it, we need to go back and review, we can use for emergencies.

Rick - We can use in case of emergency.

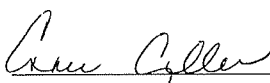
Mary Ann - I would to to recognize Councilman Rod Cury and congratulate him being named Tazewell County Public Schools "Secondary Teacher of the Year".

Rod - Thank you, I appreciate the honor given to me. I am backed up by the best social department in the region and staff.

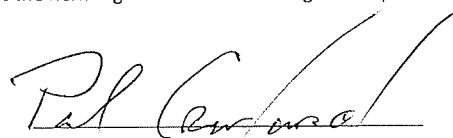
Rick - I make a motion to dismiss, Richard seconded the motion.

Mayor Crawford- We have a motion and a second, any further discussion? All those in favor of the motion say yes. All those that oppose say no. Roll Call - Rick – Yes, Doug-Yes, Rod- Yes, Mary Ann – Yes, Richard- Yes. Motion carries – 5/0.

Mayor Crawford - Public hearing on June 9 at the next regular Council Meeting at 5:30pm.



Connie Allen, Town Clerk



Paul Crawford, Mayor