

TOWN OF RICHLANDS
2023/2024 Budget Workshop

The Richlands Town Council held the 2023/2024 Budget Workshop on Tuesday, April 20, 2023, at 6:00 pm in the Richlands Council Chambers with the following present:

Mayor: Rod. D. Cury
Interim Town Manager: Ron Holt
Interim Town Clerk: Amanda Beheler
Town Staff: Susan Whitt
Council Members: Doug Ratliff, Gary Jackson, Rick Wood, Jordan Bales, Jan White, and Laura Mollo.
Town Attorney: Absent

The 2023/2024 Budget Workshop was called to order at 6:00pm and opened with the Invocation and the Pledge of Allegiance led by Susan Whitt.

TOWN MANAGER'S POWERPOINT

Highlights:

- Town is paying for operations with revenue.
- 300k increase in projected revenue as a result of rate and tax increases in 2021 as well as revenue generated by sales and meal taxes during the 2022/2023 fiscal year.
- Town is not transferring money from Utilities other than to pay for services provided to those departments.
- ARPA will not be used to balance the budget.
- Not using VDOT funds for any project except for VDOT approved projects.
- APRA funds will be used to pay off the soft cost for the Water Treatment Plant and the Wastewater Treatment Plant upgrades. This line of credit currently has a 7% variable interest rate.

Councilman Ratliff suggested to pay the line of credit off as soon as possible to prevent paying more interest. Mr. Holt advised they could save roughly twenty-two thousand dollars by paying early, however there would likely be a penalty for early payoff.

- The current budget provides a much needed 3% Cost of Living Increase for employees.
- No increase in healthcare this year, therefore there was no cost passed on to employees.

Challenges:

- The proposed budget does not include any capital expenditure.
- The Water Treatment Plant and Wastewater Treatment Plant upgrades are of critical importance. Upgrades will cost roughly eleven million dollars.
- Mr. Holt suggested finding a financial advisor and bringing them in to do a study to present the Council with an array of options to bring in revenue to pay for upgrades and future projects.
- Mr. Holt advised that the Town was two million dollars in debt to VRS.

Mr. Holt thanked Heather, Amanda, and Lettie for their help with the budget.

Mr. Holt advised there were changes made to the Street Department requests.

- Traffic Control Board for sixty thousand dollars was removed, no longer needed. Advised the Town was able to apply for a grant.
- Skate Mower also removed; Mr. Holt advised he already directed staff to purchase a pre-owned mower.
- Requested to add a Backhoe to this list. Advised the Backhoe could be used as a multifaceted vehicle since the Bobcat is currently down.

PROJECTED BUDGET REPORT- REVENUE

Jan asked where the Town is at on collecting back taxes.

Laura advised that she contacted a firm called TACS that would collect taxes at no cost to the Town.

Rick asked if there was anyone that could start calling residents to try and collect some of the back taxes that are owed.

Laura suggested waiting until the Town hires a new Town Manager to start this process with the firm in Abingdon due to there being no policy & procedures currently in place for this.

Jordan asked about selling this debt at a discount.

Gary asked for the total amount of back taxes owed to the Town, Mr. Holt advised he would get that total and update the Council.

Doug asked if the Town could pay VDOT two hundred and fifty thousand dollars a year for four years instead of one lump sum. Wants to keep a reserve.

Ron suggests paying this off in one lump sum in fear of future Boards not following through with the payment plan.

Rick suggested putting the paving work out for bids to do the main streets.

Ron requested direction on how to move forward.

Doug- wants to keep a reserve and pay off in four annual payments of two hundred and fifty thousand dollars.

Gary- Pay off in lump sum.

Laura- Pay off in lump sum.
Rick- Pay off in lump sum.
Jordan- Pay off in lump sum.
Jan- Pay off in lump sum.
Laura- Pay off in lump sum.

Ron requested direction on which streets need it most.

PROJECTED BUDGET REPORT- EXPENSES

Ron advised that one hundred and sixty thousand dollars to pay for the Forensic Audit with ARPA funds.
Six hundred thousand dollars was cut out of this operating budget.
Doug advised he would like to have cuts in all departments.
Jordan advised he will entertain cuts.
Laura wants employees and citizens to be non-negotiable. Advised Town is already late on annual audit.
Ron stated that he cut seventy-two thousand dollars from the Police Department budget and addressed the council's concerns in this budget.
Doug wants to restructure departments.
Ron advised he is not prepared as Interim Town Manager to start restructuring.
Ron suggested renaming the Street Department, Public Works, and is grateful that all employees have rallied around him during his time as Interim Town Manager.
Laura suggested waiting for a permanent Town Manager to make any changes.
Rick advised taxes have never been adjusted in the Town and would like to find other options to generate more revenue for the Town, such as a Contractors Fee.

Council:

Laura made a request to move the Downtown Activity money from Community Development and place it back into the Town Events budget for Council. The amount is five thousand dollars.

Ron asked for direction on this:

Doug- yes, Gary- yes, Rick- yes, Jordan- yes, Jan- yes, Laura- yes.

Finance:

Jordan asked why did the retirement increase. Ron advised it was previous miscalculations and because of new employees.
Jan asked if the VRS was a payment on the money owed to VRS or if it was the monthly payment. Ron advised that is the cost each department pays.
After a brief discussion by Council about the convenience fee, Mayor Cury advised this will be discussed at a later date, it is not a budget issue.
Jordan asked about postage, Susan advised that amount comes from paying bills. Jordan would like to explore options on paperless billing going forward to cut that cost.
Doug stated the REC Department restructured several years ago and saved the department around two hundred and fifty thousand dollars.

IT Department:

Mayor Cury inquired about "Retirement of Debt" under the IT Department. Ron advised that was a Dell contract that was paid off.
IT/ Service Maintenance, Council Members asked to have a breakdown of this.

(The council took a brief recess)

Economic Development:

The council discussed the CPROP Grant position.
Laura asked as a compromise, could the Town hire a part-time position to save money and still comply with the grant rules.
Mayor Cury, Jordan, and Laura requested to have a meeting with Cumberland Plateau about the grant and Phase Three of the CPROP grant.

Police Department:

Ron advised that he reduced the number of uniformed officers by three in his department and cut costs by having a Special Conservator of the Peace.
He also advised that he shut down the majority of dispatch.
Ron thanked the Council for their support in allowing him to adjust salaries at the police department.

Fire Department:

Ron advised the Retirement of Debt is the Fire Truck payment.

Rescue:

Ron advised the thirty-eight thousand dollar increase comes from adding a full-time position with benefits.
Jordan asked why Telephone/Internet/Comm doubled. Ron advised it had been underbudgeted in the past.
Laura advised that several years ago it was passed by the Council to add VRS to Rescue, but never implemented.
Would like to build this into the budget, will help with recruitment and to retain current employees.

Mayor Cury asked for the Councils consensus to give Ron direction on this.

Doug- yes, Gary- yes, Rick- yes, Jordan- yes, Jan- yes, Laura- yes.

Will need a new line item made for this. Ron will send an e-mail with cost.

Street Department:

Ron advised the snow and Ice Removal is lower due to previous mild winter. There is a stockpile of salt chemicals. Ron will e-mail Council Members a breakdown of what Traffic Safety consists of. The council agreed to pay VDOT in one lump sum.

Recreation:

Ron advised the reduction in park maintenance is mowing. Jordan stated that he would like to have fiber ran to the REC park. Rick asked what it would cost to run the fiber. Ron advised he would get the cost for this.

Community Facilities:

Laura requested to add fifteen hundred dollars to the Section House. The Council agreed.

Water Treatment Plant & Wastewater Treatment Plant:

Ron reported that the Town is in a very critical state with the Water Treatment Plant and Wastewater Treatment Plant. Ron advised the Town is in good graces with VDHD.

Water & Sewer Line Maintenance:

Jordan inquired about the drastic decrease in the fire hydrant line item. Ron advised they have a few fire hydrants on hand.

Electrical Department:

Doug stated that he would like the Town to stop taking money from utilities, would rather cut the budget. Jordan stated he would like to get the transmission costs under control to help with the budget. Ron advised of a five hundred thousand dollar grant opportunity for new meters and software. A meeting with John O'Leary is scheduled to discuss this grant. Ron requested the Council to add one hundred thousand dollars to Capital Requests, grant is a twenty percent match.

CAPITAL REQUESTS

Street Department:

Ron asked the Council to consider purchasing portable rumble strips and a backhoe. Ron discussed quotes with the Council. Rick advised the Town needs to purchase a Carter Cat for its attachment features. Ron gave the Council a total quote of one hundred and seventy thousand dollars for backhoe and rumble strips.

Council agreed to reduce line item to one hundred and seventy thousand dollars for both.

Line Maintenance:

Ron advised a Crew Cab Tool Truck is needed. Jordan suggested buying regular trucks with trailers, so the vehicle could be easily shared between departments. Gary advised parking a truck and trailer would be difficult in town in certain spots. Rick asked if they could find two used tool trucks. Mayor Cury asked if Ron could research used tool trucks. Ron advised he will.

Electrical:

Ron advised the woodchipper is critical. Rick asked if they could buy two used woodchippers for under eighty thousand dollars.

Police Department:

Ron advised he needs four new police cruisers; however, he has applied for a grant to purchase these.

Wastewater Treatment Plant:

Ron advised upgrades are on the horizon for this.

Fire Department:

The Council agreed to buy 2 portable Radios for five thousand dollars.

Rescue:

The council agreed to pay the thirty eight thousand dollar ambulance payment.

Town Hall:

The Council agreed to hold off on a Town Managers Vehicle at this time.

Recreation:

Ron advised he received a quote for ten thousand six hundred dollars for roll-up garage doors that's not in the current budget. Mayor Cury asked Ron if this item needed to be added, Ron said yes, and Council agreed to add.

Laura inquired about money being available from William Park maintenance from the previous year. Ron advised he would check.

The Council agreed on the ten thousand six hundred needed for the roll-up doors, will use money from William Park maintenance from previous year if available.

Jordan suggested installing security cameras at all parks to prevent vandalism. Ron advised he would check for two wireless cameras at the police department to be used at the parks for security purposes.

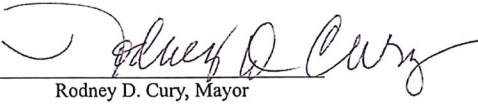
Water Treatment Plant:


The Council agreed to purchase 5 Inline Turbidimeter's for thirty five hundred dollars and to repair the roof for fifteen thousand dollars.

Upon a motion by Laura Mollo seconded by Jordan Bales and the unanimous roll call vote of all members present, the Council voted to approve paying the engineering cost.

Upon a motion by Laura Mollo seconded by Jan White and the unanimous roll call vote of all members present, the Council voted to hold a Public Hearing regarding the budget as amended on May 9, 2023, at 5:30pm.

Upon a motion by Rick Wood seconded by Gary Jackson and the unanimous roll call vote of all members present, the meeting was adjourned.


Rodney D. Cury, Mayor


Interim Town Clerk, Amanda Beheler