

The Richlands Town Council held a Special Called Meeting on February 28th, 2023, in the Richlands Council Chambers at 5:00 pm with the following present:

Mayor: Rod D. Cury

Interim Town Manager: Heather Peery

Acting Town Clerk: Susan Whitt

Council Members: Doug Ratliff, Gary Jackson, Rick Wood, Jordan Bales, Jan White and Laura Mollo.

Town Attorney: Michael Thomas

Mayor Cury-this Special Called Meeting for the Richlands Town Council will now come to order. I would like to read to you the Public Notice that was publicized.

“Special Call Meeting by council members Laura Mollo, Jan White and Rick Wood of the Richlands Town Council is scheduled for February 28, 2023, from 5 PM to 6 PM at the Richlands Town Hall at 200 Washington Square, Richlands, Virginia. Topic discussion: Budget Electric Department (non-voting), signed by Heather Perry, Interim Town Manager.”

At this time, before we move further, I would entertain a motion to adopt the following agenda. We don't have it so I would appreciate it if you would write this down. I'm going to ask for approval of this agenda. I will ask, let me ask you to write this down please. Open the meeting, which I have done, have the invocation, the pledge, the discussion is budget- electric department which is a non-voting topic according to the advertised notice, and then we'll adjourn. Please write that down if you have any questions, I'll read it again.

Is there a motion to adopt this agenda?

Rick makes the motion. There's a motion on the floor to adopt the agenda as presented, is there a second to this Motion. Jordan seconds the motion. Any discussion on this motion?

There being no discussion, I would answer a roll call vote please, Susan:

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

Members of Council, this agenda has been adopted as we have presented it to each other and to the public. Thank you.

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

Thank you, members of Council and members of the audience. I thank everyone for being here. I'd like to say thank you to Mike, Heather and Susan for coming and thank you Seth for coming. So, I will make just a general statement. Last week Laura called me and told me that her, Jan and Rick were calling a special meeting and that's absolutely their right to do so, and she told me she had invited Seth. So let us move forward. We have on the agenda, budget-electric department, non-voting. It's a discussion, so in this case I will ask Laura, Jan and Rick to amplify what they would like to discuss and we'll take it from there. Laura or Jan, or Rick, would either of you like to explain it.

Laura -basically in our last meeting, it was asked by Councilman Ratliff, he had some questions regarding the electric and he asked to be able to get some information so that he could study some numbers and this was just a mutually convenient time for everyone and I felt like the public should see it and also Council so basically this is an informational session for councilman Ratliff and for anyone else to get their questions answered regarding electric so we can move forward.

Mayor Cury- okay, thank you. Jan, you would like to add anything.

Jan -we would want to give everybody the opportunity to understand the income and what comes in what goes out on the electrical system.

Mayor Cury- okay, thank you. Rick, would you like to add anything. Rick- that's what it's all about. So, thank you members of council so without further ado I will open this meeting for discussion. Who would like to open it with questions, or Heather I'll defer to you. Do you have anything you would like to elaborate on at this point as interim manager.

Heather- I'll give you a breakdown of the hand out that I've provided. Basically, what we have here is the budget report, it shows what our budget is for this current year that we're in now and it'll ...

Doug-excuse me do you have copies for everyone?

Heather -did not everybody get a copy? Oh, I thought they passed it around.

Mayor Cury-I thought I had four sheets. There you go. I have one request, is it possible to turn these lights on back here? It helps you to read. Go ahead Heather.

Heather-so basically this gives you a breakdown and every number that you see in red is revenue, it's not an expense on this page one and it gives you prior years to use as reference. So, if you turn that over to page two, this is basically all your liabilities and this shows you previous year's budget, the same thing we looked last year during the budget, if you weren't here. But it does give a list of approved budget line by line for each line item and the ones that are provided today are only Electric. So, on page three, this gives you a breakdown of any shared Resources. How their costs are shared, certain jobs throughout, not just Electric but water, sewer as well, so utilities. And there is a breakdown on how it's shared for as any like I.T or anything like that, because I.T, if we buy a server or anything like that that hits all departments not just one. And then we have page four, and this is basically a summary fund and we're looking at this particular time, only electric and this one goes through July through December. So the first half of the fiscal year and the red on this will mean negative.

Doug- should we ask questions as we go along or at the end?

Mayor Cury- probably let's review and then you can ask questions. Doug- sure, okay.

Heather- on page five and this is just a breakdown of the electric and what is charged as far as the shared resources from previously, just as postage and things like that, a breakdown of salaries, benefits for certain positions. And it shows not only electric again, but electric, water and sewer and then basically these are some expenses, as far as electrical department only, goes all the way from July until December with a year to date on all of that.

Mayor Cury-that's July 2022 to December 2022? Heather-Yes, this is just the first half of this fiscal year or the end of calendar depending on how you want to look at it.

Jordan- could we define red on each of these, I know that's cumbersome but...

Heather- yes well, so this is basically...page one is the revenue and any of our revenue will show up as negative because it's the opposite side. Jordan -thank you.

Mayor Cury- there was one more, the last page, it says yearly budget summary by fund.

Heather-yes and basically again this is just a breakdown of each department's revenue versus expenditures in general fund, water, sewer and electric and it gives you the total for December.

Council discussions:

- shared expenses between the electric, water and sewer departments.
- Surrounding towns such as Lebanon and Bluefield that do not have electric systems.
- Old town vs. new town, annexed areas such as Hidden Valley not paying same electricity rates due to being on AEP.
- How Town Manager salary is divided among the departments. May review percentages with new auditors.
- Prior lawsuit brought by Attorney Shea Cook regarding the transfer of electric funds, gentleman's agreement that followed.
- One-month electric revenue less expenditures resulted in a loss of \$83,766.00
- Required reserves, restricted v. non-restricted reserves.
- Budget is set and approved by Council.
- Existing contracts with Blue Ridge Power.
- The need for the Town Attorney to be present during the budget discussions with the understanding of added time being billed.

Mayor Cury- I appreciate everybody's questions and comments. For those who do not know, the council voted in the Fall to have an Electric Committee and I guess it was in January, they appointed Seth and Shea as citizen members and Doug is the chairman of the committee and Jordan is also serving on the committee. In order to move ahead in a productive way would counsel be amenable to asking this committee to meet as a community as well as in public and before our next meeting starts for the budget and I'm asking Doug as the chairman and Seth and Shea and Jordan as members, would you be able to come up, it's a lot of work but I know you don't mind and I appreciate it, with your recommendations to council, knowing these recommendations are entirely up to council. Is that something that you would consider doing gentlemen.

Doug- yes, I think it might be and as council's input would be additionally productive to what we're doing right now.

Mayor Cury- Doug, as the chairperson would you undertake that task to meet and call a meeting, probably should be here at the Town Hall of course with Seth, Shea and Jordan of the Electric Committee and as I understand at the point of it is: Council point of view and citizen point of view and we have a team.

Shea Cook- I think that when we do meet, I would like for the town attorney to be present because so much of our discussion is driven by existing contracts and we can say you know we want to get rid of the power system but we've got contracts we're bound to that and you know they're going to be implications and I would like for him to be present because we may have some questions that we want him to look at.

Mayor Cury-I think that's an excellent suggestion, we have contracts that we must honor.

More Council discussion about the general fund and the electric fund.

Heather-asked to be excused from the meeting.

Mike- the Notice of the Special Called Meeting says until 6 o'clock, and we've gone beyond that.

Mayor Cury- so at this time if there's no further discussion on electricity, I will entertain a Motion to adjourn. Jordan makes the Motion to adjourn. Any discussion on this motion?

Laura- I mean there's not a lot we can do without the interim manager. If it were up to me, we'd be back in here tomorrow. I've enjoyed the conversation and Mr. Cook is correct, this is the largest thing plaguing this town and I kind of feel like we're dragging our feet and I don't want to see that, and I'll let you know.

Mayor Cury-okay there's a motion on the floor to adjourn. Motion by Jordan, is there any further discussion of this motion to adjourn? What was your statement?

Laura-I said that I enjoyed this conversation, and I will vote no to adjourn because I could be sitting here all night. I think that we need to take this more seriously. I think if we need to be in here once a week, this has got to be solved and we're going to drag our feet until four years go by and here we are sitting here again. I vote no.

Mike, well yes, my recommendation on that is just because the advertisement for the meeting was from 5:00 pm to 6:00 pm and we need to adhere to that.

Mayor Cury-I appreciate everybody's feelings, they're being worthy of discussion. I will ask for a roll call vote please....

Laura- before you call for that could we set another....

Mayor Cury- what would you like done, Laura as far as setting another meeting for next week or I guess ...but the electrical committee is going to have to meet.

Laura- yes and I would think the council needs to meet probably immediately after that as soon as possible, I'm still going say no to adjourn because I would sit here all night to prove a point but whenever you guys meet on the electrical committee, if you guys want to meet at 5 o'clock, Council needs to be in here at 6:00. I'll be here. I think it should be a more informal meeting too because it was hard you know; you couldn't really discuss anything tonight like a workshop limiting us to an hour.

Mayor Cury-well as Mike has reminded us, this is what was published. Is there any further discussion on this motion before we take the vote, roll call vote please Susan:

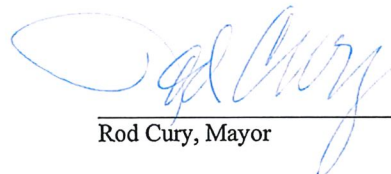
Doug-yes, Gary-yes, Rick-yes, Jordan-yes, Jan-yes, Laura-no. Motion carries 5/1.

Mayor Cury-before we adjourn, I want to just say something, and this is

my feeling, I don't think any of us up here care more about this town than anybody else. I think it's an equal love for this town and any thought that someone cares more, someone cares less, I don't think that's a good thing. Thank you.

Adjourned at 6:38 pm


Susan Whitt, Acting Clerk


Rod Cury, Mayor