

TOWN OF RICHLANDS
REGULAR MONTHLY MEETING

The Richlands Town Council held a "Regular Monthly Meeting" on Tuesday, February 13, 2024, at 6:00 pm in the Richlands Council Chambers with the following present:

Mayor: Rod. D. Cury
Town Manager: Jason May
Office Manager: Susan Whitt
Town Clerk: Absent
Finance Manager: Ronnie Campbell
Council Members: Seth White, Gary Jackson, Rick Wood, Jordan Bales, Jan White, and Laura Mollo.
Town Attorney: Michael Thomas

The Town Meeting was called to order at 6:00pm and opened with the invocation and the Pledge of Allegiance led by Rod Cury.

IN RE: Additions, Deletions, or Corrections to the Agenda

Mayor Cury asked if there was anyone who would like to speak during unscheduled public comment.

Margret Smith
Wanda Lowe
Sharon Shinall
Rick Vencill
Morgan Earp

Upon a motion by Jan White seconded by Gary Jackson and the roll call vote of all members present, the Council voted to approve the agenda as amended.

IN RE: Authorization to Pay Bills (January)

Mayor Cury asked the Council if there were any questions regarding the Check Register.

Mr. White inquired if check #15069 for the basketball shirts was paid out of a separate account or the General Fund and what that process is for those departments.

Mr. May advised at this time funds are being paid in and out of the General Fund. He also advised the new budget will reflect the revenue for those departments.

Mr. Jackson inquired about check #15076 for Berkley Group. Mr. May advised it was for the last day that Mr. Monday worked.

Upon a motion by Seth White seconded by Laura Mollo and the unanimous roll call vote of all members present, the Council voted to approve paying the bills for January.

IN RE: Minutes

Upon a motion by Rick Wood seconded by Laura Mollo and the unanimous roll call vote of all members present, with Seth White abstaining, the Council voted to approve the Public Hearing January 9, 2024, and the Regular Scheduled Meeting January 9, 2024 minutes.

IN RE: Scheduled Public Comments

No Scheduled Public Comments.

IN RE: Unscheduled Public Comments

Margret Smith, 524 Sycamore Lane- stated that she was excited to learn of the paving that will be done in Town, however she is not happy that East Second Street and Sycamore Lane are not

on the paving list. Mrs. Smith also stated that junk cars and a pleasure boat were parked on the street. Mrs. Smith would like to speak to the Code Enforcement Officer about these issues.

Mrs. Mollo advised the reason those two streets are not on the list is because in order for the Town to use the funds, it must be a VDOT maintained road. Mrs. Mollo stated she was appalled at the condition of East Second Street as well and would like the Town Manager and Chief Holt to work together on a solution for this.

Wanda Lowe, 292 Plantation Drive- inquired about the Forensic Audit process and asked if it is a supervisor's responsibility to gather invoices at the end of each month. Mrs. Lowe also asked if the Town could join Teen Venture with the Rec Park and open it to the public.

Sharon Shinall, 335 Birmingham Rd- advised the Council that she started the group "Friends of Tazewell County Community Cats" in 2022 and began the TNR (trap, neuter, and release) program. Mrs. Shinall advised she was contacted about a week and half ago and told the colony at the Town barn needs to be moved due to it being a public safety issue for the employees. Mrs. Shinall advised it is not a good idea for a colony of cats to be moved and offered for her agency to provide tarps, deterrents, etc. Mrs. Shinall handed out information to the Council about her agency.

Rick Blevins 280 Birmingham Road- Inaudible

Morgan Earp, 1618 Sixth Street- Inaudible

IN RE: Chuck Presley, Tazewell County Board of Supervisors

Chuck Presley, Tazewell County Board of Supervisors- advised the Council that he wanted to introduce himself to everyone and show his support of Richlands.

IN RE: Creative Communities- CART

Ginger Branton requested the matching funding for the Creative Partnership Grant from the Town. Mrs. Branton advised it would be 55% for the Town and 45% for the Virginia Commission of the Arts. Mrs. Branton advised she needs to know before the April 1 deadline.

Mayor Cury advised the Council cannot give her an answer at this time, the Council must follow protocol and will let her know as quick as possible.

Elaine Holmes, President of CART spoke briefly to the Council about CART and its importance to the community.

IN RE: Presentation of the Forensic Town Audit

Mr. Mays thanked and recognized Frank Dorton for his IT work for the Town during the meeting.

Jack Reagan of UHY Advisors, Inc. presented the highlights from the January 2022-March 2023 forensic audit report virtually, including recommendations.

The forensic results of the testing did not identify any instances of fraud and/or misconduct, however, UHY identified areas for improvement within Town processes.

Results & Observation Highlights:

- A bank account administration policy does not exist, resulting in the excessive number of bank accounts owned by the Town and an invalid bank account.
- Bank account reconciliation procedures are not adequately performed to provide a clear documentation trail of reconciling items.
- Virginias Public Procurement Act regulations were not adhered to as evidenced by lack of contract monitoring with American Carpet Care.
- Terminated employees are not immediately removed and made inactive in the payroll system, increasing the risk and ability for fraudulent direct deposits in payroll cycles.

- Employee records were missing and could not be located, allowing for risk for fraudulent payroll processing and mismanagement of human resource records.
- Payroll report data had inconsistencies in employee naming conventions and employment status.
- Login access controls in payroll system lacked segregation, allowing multiple users to access the system under the same login information.

Recommendations:

- Document and implement a bank account administration policy and procedures. This policy should include criteria describing when it is appropriate to open a new account, what process should be followed to get proper approval to open the account, how authorized signers are determined, and establishing criteria to demonstrate when a bank account should be closed. Such a policy should also describe the responsibilities of those involved in the banking process to ensure segregation of duties between recording of banking activity, account reconciliation, and custody of assets.
- Document and implement a bank account reconciliation policy and procedures. This policy should include preparation details (Date, Preparer, Reviewer), and standards such as evidence of review, retention of sufficient documentation so that reperformance can be done if needed, resolution of outstanding items, timing of reconciliation completion, and timing of the resolution of identified variances and bank errors. The written procedures should be detailed enough to delineate the full range of duties relating to the execution of the bank reconciliation.
- Digitalize employee record filing and restrict access to prevent losses of employee files.
- Remove inactive employees from payroll system timely to prevent direct deposits in future payroll cycles.
- Provide each administrative user their own user login to access payroll system.
- Develop payroll reports which detail all earnings included in gross pay to facilitate payroll reconciliation.
- Monitor large contracts to ensure that such large contracts are publicly competed in accordance with the Virginia Public Procurement Act.

The report did not include any adjustments to the general ledger and financial statements. UHY had several recommendations for improvements to controls, reporting, and efficiency gains.

There have been numerous changes in personnel since the period covered by the audit. The current staff takes note of the audit and has implemented or plans to implement improvements in the recommended areas.

Mrs. Mollo asked if the Town should have fewer banks as well. Mr. Reagan advised it is not unusual but stated the benefits of having fewer.

Mrs. Mollo advised the Town has new employees in key positions where issues were found during the timeframe of the audit.

Mrs. White asked if Virginia requires a Forensic Audit each time the Director of Finance changes. Mr. Reagan advised there needs to be a turnover audit.

Mr. White asked Mr. May if employees have their own separate login credentials to log into the payroll system.

Mr. May advised the Town is currently undergoing a payroll system upgrade and working on policy and procedures. Mr. May also advised the login issue for the person entering payroll has already been fixed.

Mr. White asked Mr. May and Mr. Campbell if they could get the rates, terms, and end dates to the five Certificate of Deposits and also the interest rate of the main savings account.

Mr. White asked Mr. Reagan who the employee was that signed off on the American Carpet Care contract was. Mr. Reagan advised he will get that information for Mr. White.

Mr. Bales asked if the Microsoft accounts could be wiped remotely. Mr. May advised he does not have that answer at this time but will look into it.

Mr. Jackson and Mayor Cury thanked Mr. Raegan for his work and recommendations.

Mayor Cury declared a ten-minute recess.

IN RE: Paving, Milling, and Striping IFB

Mr. May advised the staff released the IFB for paving before the holidays with a due date of January 31. On January 31, the Town received two bids. The lowest bid was from W & L with a bid of \$498,397.42.

Upon a motion by Rick Wood seconded by Seth White and the unanimous roll call vote of all members present, the Council voted to accept the contract from W & L Paving.

Mr. May advised paving will begin after March 31 and should be completed by June 30.

IN RE: Lead Service Line Inventory Grant

Mr. May advised the Town will be provided funding from the Bipartisan Infrastructure Law (BIL) to complete a Lead Service Line Inventory Work Plan. The Town of Richlands Line Distribution team has already started this project and are about halfway done at this point. The team expects the work to be completed by the end of the summer utilizing all in-house personnel to complete the project.

Mr. May advised that the funding is a reimbursement grant. Every quarter, the Town of Richlands will provide expenses to the Virginia Department of Health Clean Drinking Water office for reimbursement. The total funding allotted to the Town of Richlands is \$250,000. The Town will be utilizing FY 2024 Adopted Budget funded personnel to complete the project.

Mr. May recommends all proceeds from the grant be placed in a Capital Project Fund for a new Jet-Vac Truck. The Town of Richlands current Jet-Vac Truck is 20 years old, with 3,863 hours of work, and needs to be replaced. Using this funding and potential capital funding from the FY 2025 budget will allow the Town to purchase a new Jet-Vac Truck and keep the current apparatus as a backup.

Mr. Wood asked if the Town has to purchase a new truck, Mr. May advised it does not.

Upon a motion by Gary Jackson seconded by Rick Wood and the roll call vote of all members present, the Council voted to accept this opportunity and complete the project utilizing in house personnel.

IN RE: Soccer MOU with Richlands High School

Mr. May advised Richlands High School will be reconstructing their outdoor fields this spring, including the soccer field. The South West Virginia Community College is reconstructing its field this spring also, including any field for soccer use. With this situation, the Tazewell County Public Schools (TCPS) has reached out to inquire about utilizing the fields at the Rec Park for Soccer practice and games this coming spring. Mr. May has updated the current MOU between the Town and the schools to include Soccer as a sport on the MOU and the fields at the Rec Park as one of the assets to be used. TCPS will improve the field, mark the field for Soccer use, and will maintain the field during the Soccer season. The only changes to the MOU are the addition of the sport of Soccer and the addition of the field as they have for all other Town assets being utilized by the school system. At this time, the addition of Soccer to the MOU and the need for the field are both believed to be for one season.

Mr. Bales advised they will be using the concessions as well.

Upon a motion by Jordan Bales seconded by Jan White and the roll call vote of all members present, the Council voted to approve and accept the prescribed changes to the MOU between the Town and Tazewell County School System.

IN RE: Propane Contract

Mr. May advised the Town was purchasing propane from Heritage Propane for several years. Heritage Propane was purchased by AmeriGas in October of 2020. At the time of the purchase, AmeriGas alerted all customers of a 3-year contract going into effect for all customers not previously on a contract. The Town of Richlands contract with AmeriGas ended on October 31, 2023. The invoice for the Town of Richlands from AmeriGas dated January 5, 2024, shows a rate of \$4.409/gal. A local company, Clinch Valley Propane, has offered a contract of \$1.89 per gallon. Clinch Valley Propane is also offering no tank rental charges, hazmat fees, or delivery fees; all fees we are currently being charged by AmeriGas. The Town has historically purchased between \$10k and \$5k a year in propane.

Mr. May advised changing providers of propane could provide cost savings of nearly 50% in the future.

Upon a motion by Gary Jackson seconded by Rick Wood and the roll call vote of all members present, the Council voted to approve entering a new contract with Clinch Valley Propane.

IN RE: WWTP/WTP Upgrade Projects

Mr. May advised over the past three months, the Town has reviewed and approved the necessary wastewater rate increases to fund the Water and Wastewater upgrade construction projects. Mr. May also advised staff are engaged with Bond Counsel and our Financial Advisors. Staff has met with staff from the Clean Drinking Water Office and maintained the principal forgiveness and the low interest loans. The Town is moving forward with these projects as quickly as possible. The next step in the process is to re-engage with the engineering and design firm and begin creating contract documents; documents needed to advertise and award the construction contracts for the projects.

Mr. May asked the Council to officially "un-pause" this project.

Mr. Jackson asked if there is an additional charge to T&L, Mr. May advised there was not.

Upon a motion by Laura Mollo seconded by Gary Jackson and the roll call vote of all members present, the Council voted to officially authorize the Town staff to re-engage with the engineering and design firm for Water and Wastewater upgrade construction documents.

IN RE: Mowing

Mr. May advised the Staff has had several work sessions to discuss the Town's mowing needs and the most efficient and effective way of completing the process. The Staff is recommending to bring all mowing in-house. To bring this service in-house the Town will need a four-man crew (1 FT and 3 PT). All equipment needed would be VDOT reimbursement eligible.

Bringing mowing back in-house for the Town will require up front capital cost. The capital cost is split between restricted and unrestricted fund balances. The personnel cost will be split between restricted fund balance and the general fund operating budget for streets.

Mr. May recommended moving forward with purchasing capital assets to begin mowing with Town staff.

Mayor Cury inquired if the added employees will be able to do other jobs in Town if needed. Mr. May advised they would.

Upon a motion by Seth White seconded by Gary Jackson and the roll call vote of all members present, the Council voted to move forward with purchasing capital assets and to move forward with this mowing action plan.

IN RE: Oriole Street Bridge- Engineering and Design

Mr. May advised there was a misprint on the staff summary for this item and apologized.

Mr. May spoke briefly to the Council about the Oriole Street Bridge and suggested canceling the former RFP, the Town needs an RFP for engineering, design, construction, and delivery of a slab on grade bridge.

Upon a motion by Rick Wood seconded by Gary Jackson and the roll call vote of all members present, the Council voted to cancel the old RFP.

Upon a motion by Gary Jackson seconded by Rick Wood and the roll call vote of all members present, the Council voted to approve a new RFP for engineering, design, construction, and delivery of a slab on grade bridge.

IN RE: Fletcher Bright Deed (Va. Code Section 15.2-1803)

Mr. Thomas stated the Fletcher Bright Company wants to gift the Town a parcel of property near the former Richlands Mall location as has been previously discussed with the Town.

Upon a motion by Rick Wood seconded by Seth White and the roll call vote of all members present, the Council voted to accept the Fletcher Bright Property as required by Virginia Code Section 15.2-1803 and allowing Town Manager Jason May to sign the deed on behalf of the Town.

Mayor Cury declared a ten-minute recess.

IN RE: Monthly Financial Report

Mr. Campbell gave a brief overview of the Monthly Financial Report for December as follows:

- The Town received around \$74K in Insurance Funds for the Fire Truck in December.
- Town also received the 4th quarter VDOT funds in the amount of \$316,000.
- Expenses are showing good trends.
- The Electric Rate and the Sewer Rate will increase in February.

Mayor Cury asked the Council if they had any questions about the Financial Report.

The Council had no questions.

IN RE: Ordinance # 0-2024-03-01 Bulk & Brush Pickup Fee First Reading

Mr. Thomas gave the first reading of Ordinance O-2024-03-01 for Bulk & Brush Pickup Monthly Fee.

IN RE: Town Manager Report

Message Boards at Oriole Street- Mr. May advised the Town is paying around \$3,200 a month to rent the digital message boards. Mr. May suggests the Town purchase those boards for \$22,000. The message boards would be helpful to use in other places throughout Town as well.

Upon a motion by Laura Mollo seconded by Gary Jackson and the roll call vote of all members present, the Council voted to approve the purchase of two message boards for current use at the Oriole Street Bridge and for future use throughout the Town.

Delinquent Taxes: Mr. May advised he followed up with Delinquent Taxes as requested by Council and contacted Taxing Authority Consulting Services, P.C. (TACS). TACS will take the Towns listing of delinquent taxes for the past twenty years and upload the data into their system and begin generating delinquent notices. TACS has a call center and will work with tax payers to create a payment plan. Several attempts by phone and by mail will be made before any legal work is completed. The Town will collect all delinquent taxes, with no charge to the Town. The

General Assembly provides TACS with the ability to add a 20% fee to the delinquent tax; this is how TACS make their money.

Mr. May stated the Town will be required to provide some up-front funding to get the process started and to complete the initial title search. Staff were told between \$20,000 and \$50,000 would be necessary to get started. This startup money is always reimbursed to the Town at the end of the process. Once payment is made, the Town is reimbursed its initial funding and receives the full amount of delinquent taxes.

Mr. May advised the staff has pulled the delinquent taxes for just the past five years and this totals over \$150,000.

Mr. Patton, from TACS, gave a brief overview of the process to the Council. Mr. Patton works out of the Lebanon office.

Upon a motion by Seth White seconded by Laura Mollo and the roll call vote of all members present, the Council voted to retain the services of Tax Authority Consulting Services, P.C. (TACS) to collect delinquent taxes owed to the Town of Richlands.

Park Security- Critterville- Mr. May advised that over the past several months Critterville and Williams Field have been vandalized several times. Mr. May informed the Council that the Town will be installing camera systems in several locations. The costs will be covered by the Parks Department.

No action is needed.

CDL- Travel and Training: Mr. May advised the Town currently has 10 CDL drivers and 15 pieces of equipment requiring a CDL. The current market rate for CDL drivers is \$24 per hour and the Town will not be able to compete with that market. Mr. May suggested the Town raise their own CDL Drivers. To do this, the Town will need to provide funding for travel and training related to CDL Class A training. The staff has found a class in the area with a fee of \$4,500. The Town of Richlands will cover the upfront cost to attend the training and the team member agrees to remain with the Town for at least 18 months or reimburse the Town a pro-rata share of the cost for the training. The Town has selected an employee for this training.

Mr. White asked if the Town would give the employee a raise after they obtain this certification, he advised the Town would.

Mrs. White asked Mr. May if he would be limiting the number of these each year. Mr. May advised it would be two at most per year.

371 Plantation Drive Stormwater- Mr. May spoke to the Council about a property owner that came to the Town in 2023 asking the Town to replace a culvert which provides drainage from the front right section of his land, under his home and out the backside of his property to a natural drainage route. A Temporary Access and Hold Harmless Agreement was drafted, and the property owner refused to sign the document. The Town brought on an engineering firm to gain a better understanding of the situation; determine the volume of water coming onto the property and provide some recommendations. The main concern is the small-scale flooding occurring on his property is causing water to come into contact with an Appalachian Power transformer on his property. A 24-inch pipe is recommended as are some additional alterations to the drainage slope and the culvert entry area. All work being recommended is on private property. The staff recommends the creation of a small levy surrounding the transformer. Town staff can install a small earthen levy protecting the transformer from stormwater runoff to ensure the large majority of the stormwater runoff is steered towards the property owner's current culvert.

Mr. Wood spoke, was inaudible.

This discussion is deferred to the next Regular Scheduled Town Council Meeting once Mr. May is able to speak to American Electric Power.

Chamber of Commerce Dues- Mr. May followed up with the Council about a check that was issued to the Chamber of Commerce for dues in the amount of \$750.00. Mr. May said there was

an error on the Invoice from the Chamber of Commerce that listed an add-on fee of \$250.00. The original check for \$750.00 was voided and a new check for the correct amount of \$500.00 was issued.

Richlands Youth Baseball Club MOU- Mr. May advised this MOU is not finished and will be brought back to the Council in March for a final vote. Mr. May recommended reviewing the MOU and providing any edits, additions, or subtractions.

Office Restructuring- Mr. May stated the Town Hall currently has several offices that are not behind security features. Mr. May asked the Council to move the doors of these offices from their current location to the opposite wall and open them into the main file area. Mr. May stated the funding for this will come from the Finance Departments budget.

IN RE: Council Member Reports

Laura Mollo-

- Advised she received a call from a citizen regarding the trash on Veterans Drive.

Jan White-

- Stated she didn't have anything to report at this time.

Jordan Bales-

- Recognized the Street Department for their work filling all of the potholes. Stated the Town is looking good and has received several compliments.
- Thanked Rick for doing consulting for parking and drainage at the Rec Park.
- Advised the Big Blue Classic Basketball Tournament will be held at the Rec Park at the end of the month.
- March Madness will be held the first week of March.
- Stated he has spoken to several business owners, and they have advised they want a voice.

Rick Wood-

Upon a motion by Rick Wood seconded by Gary Jackson and the unanimous roll call vote of all members present, the Council voted to appoint Scarlett May to the REC Commission for a full term.

- Asked when something could be done about the tennis courts at the Rec Park. Mr. May advised the Street Crew has been busy but would make this a top priority and should not take no longer than one more week to finish.

Gary Jackson-

- Stated he did not have anything at this time, everything had been covered.

Seth White-

- Stated the staff has done a good job and the meeting moved along well.

IN RE: Mayor Comments

- Thanked Teen Venture for bringing treats to the Council and wished everyone a Happy Valentines Day.
- Advised the Winter Honey Festival is this month.
- Stated the Section House had a successful event.
- Advised the Green Space is coming along nicely.

Mr. Thomas advised there was a change that needs to be made regarding the Executive Session. Under C, it is listed as Contract Discussion, and it needs to be changed to Consultation with Legal Counsel Code Section

IN RE: Executive Session

Mayor Cury advised the Council would be going into Executive Session pursuant to:

Iron Street Property- VA Code Section: 2.2-3711 (A)(3)

Personnel- VA Code Section: 2.2-3711 (A)(1)

Consultation with Legal Counsel / Teen Center- VA Code Section: 2.2-3711 (A)(8)

Real Estate Broker- VA Code Section: 2.2-3711 (A)(6)

Mrs. Mollo invited the Teen Center Board into the Executive Session.

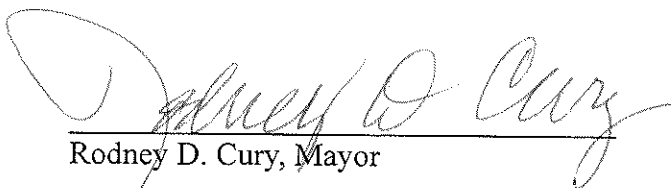
Upon a motion by Laura Mollo seconded by Gary Jackson and the unanimous roll call vote of all members present, the Council voted to go into Executive Session.

Upon a motion by Rick Wood seconded by Laura Mollo and the unanimous roll call vote of all members present, the Council voted to return to Open Session.


Upon a motion by Rick Wood seconded by Laura Mollo and the unanimous roll call vote of all members present, the Council certified that only Iron Street Property- VA Code Section: 2.2-3711 (A)(3), Personnel- VA Code Section: 2.2-3711 (A)(1), Consultation with Legal Counsel / Teen Center- VA Code Section: 2.2-3711 (A)(8), and Real Estate Broker- VA Code Section: 2.2-3711 (A)(6) was discussed during the Executive Session.

IN RE: Adjournment

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



Rodney D. Cury, Mayor



Amanda Beheler, Town Clerk

