TOWN OF RICHLANDS
SPECIAL CALLED MEETING

The Richlands Town Council held a "Special Called Meeting" on Tuesday, March 25, 2025, at 5:00 pm in the Richlands Council Chambers with the following present:

Mayor: Rod. D. Cury
Interim Town Manager: Ron Holt
Town Attorney: Mike Thomas
Finance Manager: Ronnie Campbell
Project Manager: Susan Whitt
Town Clerk: Amanda Beheler
Council Members: Seth White, Gary Jackson, Jordan Bales, Jan White, and Laura Mollo.

Absent: Rick Wood

The Town Meeting was called to order at 5:00pm and opened with the invocation and the Pledge of Allegiance led by Mayor Cury.

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

Chief Holt requested the addition of Richlands Elementary School Flooding and Tazewell County Fire Services Contract to Executive Session.

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

IN RE: Executive Session

Mayor Cury advised the Council would be going into Executive Session for the following:

- Executive Session VA Code Section 2.2-3711 (A)(1)- Personnel- Salaries

- Executive Session VA Code Section 2.2-3711 (A)(8)- Consultation with Legal Counsel- Richlands Elementary School Flooding

- Executive Session VA Code Section 2.2-3711 (A)(8)- Consultation with Legal Counsel- Tazewell County Fire Services Contract

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

Upon a motion by Jan White, 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 Laura Mollo, seconded by Jan White and the unanimous roll call vote of all members present, the Council certified that only Executive Session VA Code Section 2.2-3711 (A)(1)- Personnel- Salaries, Executive Session VA Code Section 2.2-3711 (A)(8)- Consultation with Legal Counsel- RES Flooding, and Executive Session VA Code Section 2.2-3711 (A)(8)- Consultation with Legal Counsel- Tazewell County Fire Services Contract was discussed during the Executive Session.

IN RE: 2622 Chestnut Street Plot Plan for Subdivision

Mr. Jackson advised the zoning for this property has already been approved from a 30 ft setback to a 20 ft. setback and that the owner is asking to divide the one parcel into two.

Chief Holt read a letter from Nathan Markee (Appalachian Property Investments), the property owner, to the Council. Mr. Markee stated in his letter that he was applying for two zoning permits to build on 2622 Chestnut Street.

Mr. White stated as long as the division meets all codes, the Town Manager should be able to sign off on a single division who could then send it to the Commissioner of Revenue's Office who would then make the parcel division.

Mr. White inquired if there was a minimum requirement on the lot size.

Mr. Jackson stated that Nathan Keen had advised this lot was big enough once divided.

There was a motion by Jordan Bales, seconded by Seth White regarding the approval of the request, until Mr. Jackson advised that the property owner now wants to place modular homes on the property instead of stick frame homes. The motion was withdrawn.

Chief Holt advised that most modulars are built to residential specifications.

Mr. White stated as long as it is an off-frame modular and not a doublewide.

Upon a motion by Jordan Bales, seconded by Seth White and the unanimous roll call vote of all members present, the Council voted to allow Chief Holt to sign the request upon satisfactory review and presentation to the Council.

IN RE: Cafeteria Plan Resolution R-2025-03-03

Mr. Thomas advised Council this was a Resolution that was passed annually.

Chief Holt read Resolution R-2025-03-03 to the Council.

Mayor Cury asked that the Resolution be revised to reflect "Richlands Town Council" instead of "Board of Directors".

Upon a motion by Laura Mollo, seconded by Jan White and the unanimous roll call vote of all members present, the Council voted to approve Resolution R-2025-03-03.

IN RE: 2025/2026 Budget Workshop

Mr. Campbell advised that the 2025/2026 Budget is a balanced budget where they have looked at the expenses very tightly, looked at 3 & 1/2 years of historical data, and taken into account where the Town currently is in Fiscal Year 2025.

Mr. Campbell advised they have met individually with each department head to try and nail down the expenses in each department.

Chief Holt advised the only capital request will be from the police department and that this is the first year since he became the Chief that they have asked for patrol vehicles.

Mr. White inquired why there was $10k in membership fees budgeted for the REC Park.

Mrs. Mollo advised that the previous Town Manager was anticipating selling memberships to the pool once it was upgraded.

Mr. Bales advised there was no pool memberships at this time.

Town Manager

Mr. Campbell advised that Merchant McEntire (Grant Writers) is currently listed under Miscellaneous in this department.

Mr. Jackson asked what they have decided to do about a vehicle for the Town Manager and Council advised that will be decided at the time of hiring.

Mr. White advised they need to go ahead and budget for this.

Mr. Bales inquired what the cheapest option would be.

Chief Holt advised the cheapest option would be a Chevy Malibu for an estimated $24k.

Holt advised this would come from the Unrestricted Fund Balance.

Mr. White suggested the Budget Committee could look at this.

Finance

Mrs. Mollo asked where the Town Attorney is listed, and Mr. Campbell advised it is listed in Legal.

There were no further questions for this department.

Human Resources

Mr. White asked why there was an increase in salaries and wages. Mr. Campbell advised this is actual numbers for base salaries.

Legal Services

There were no questions regarding Legal Services.

IT

Mr. White asked what is included under Service and Maintenance. Mr. Campbell advised it was for Annual Maintenance Contracts.

Community Development

There were no questions regarding this section.

Police

Chief Holt advised Retirement had been the biggest obstacle in this department.

Mr. White inquired about the Town absorbing the 10.3% increase in health benefits.

Chief Holt stated there were no proposed COLA increases for staff during this budget.

Chief Holt advised he wanted to absorb the increase in health benefits due to not being able to give COLA increases.

Mrs. Mollo advised it was not fair that some employees got massive raises that no one knew about, and others got nothing.

Mr. White advised that no one on the Council was aware that Mr. May gave employees raises and title changes without the approval of the Council and now they are dealing with this in the budget.

Police Grants

Chief Holt spoke briefly to the Council about Police Department Grants and advised it was hard to forecast this line item.

Mrs. Mollo commended Chief Holt on watching his budget.

Federal/State Asset Forfeiture

Mr. Campbell advised they do not budget for this, but he included a page with actuals.

Narcotics Task Force

Chief Holt advised this is state money that they budget.

Fire

Chief Holt advised this is the first year the Fire Department will have a paid employee, so they have built in some overtime.

Rescue

Mr. Campbell advised there is an overtime budget, they used the same base total from 2024.

Mr. Bales asked what Auditing and Legal is for the Rescue Department. Mr. Campbell advised it was for fees incurred from collections.

Mr. Jackson asked what a Stryker Chair was, and Mrs. Mollo advised it was for getting patients up or down stairs.

Mr. Bales inquired about the $3500 for Special Projects, Chief Holt advised it was for things such as Public Safety Day, etc.

Mr. Bales also inquired about the new ambulance, Mr. Campbell advised it has been ordered, and they are waiting on it.

Street Maintenance

Mr. White asked how Salaries and Wages have increased by $200k, Chief Holt explained most of this was the mowing crew that was hired once the Town stopped using contractors.

Mr. White asked how many new positions were hired for this, Chief Holt advised he would check to see how many new employees have been onboarded.

Mr. Bales asked if the Street Department is utilizing software more, Chief Holt advised that they were.

Mr. White asked if they were tracking the vehicles, Chief Holt advised some of the scrapper trucks and sanitation trucks are.

Mr. Bales inquired if the training increase was for CDL's, Mr. Campbell advised it was.

Mrs. White inquired about providing uniforms, Chief Holt advised they are utilizing the uniforms and hard hats.

Sanitation

Mayor Cury inquired about Wages and Salaries being less, Chief Holt advised this number was based on actuals.

Mr. Bales asked why retirement doubles in some departments; Mr. Campbell advised it is based on the age and salary amount of the individuals.

Mr. Jackson asked about Vehicle Maintenance Inside and Vehicle Maintenance Outside and how much of it is being done in-house now. Chief Holt advised there are three full-time mechanics at the moment, and they are doing most all of it in-house now unless it requires special tools, lifts, etc.

Parks and Recreation

Mrs. Mollo and Mr. Bales asked about Auditing and Legal in this department, Mr. Campbell advised he will check into this.

Mr. White inquired about the Operating Expenditures being less, Mr. Campbell advised the utilities were moved into non-departmental.

Non-Departmental

Mrs. Mollo asked if they could remove the $2k from the Chamber Building, since it was not going to be used.

Mr. White and Mrs. Mollo suggested they lease the building.

Mr. Bales advised there were servers and tech equipment still in the building.

Mrs. Mollo suggested they move the communications infrastructure to that building. Chief Holt advised he had applied for funding to move the communications infrastructure and will need a place to put it.

Utility Revenues

Water Revenues-
Mr. Campbell advised the Council of the Proposed Rate Increases.

Mr. Bales asked if 3,000 gallons was the average household usage, Mr. Campbell advised it was.

Mr. White asked if the entire amount was what was proposed by the study, Mr. Campbell advised it was.

Mr. Bales asked if it was fair to say each customer's water bill will raise around $12 each, Mr. Campbell advised it was.
Sewer-
Proposed Rate Increase- Mr. Bales asked if the average customers bill will increase by $5.08, Mr. Campbell advised it would.

Water Treatment Plant Expenses

Mr. Campbell advised there were cost increases for this year but was overestimated last year.

Mr. Bales asked if they were on track with the upgrades, Mr. Campbell advised they are with Wastewater.

Wastewater Treatment Plant

Mr. Bales inquired if the reason why Equipment was being decreased from $25k to $13,600 was due to the upgrades being made, Mr. Campbell advised it was.

Mr. Campbell advised the Virginia Clean Water Revolving Loan Fund - $10,916,316 Principal and $2,734,864 Principal Forgiveness, 0.5% Interest Rate, Term 10 Years, which equals $840,812.51 per year.

Mrs. Mollo asked if they pulled out all the electric, water, and sewer from the other departments and placed them into non-departmental, why was it not taken out of this department as well. Mr. Campbell advised they are treated as a separate entity.

Mr. Bales asked if they have secured the .5% interest rate, Mr. Campbell advised they have.

Electric

Mr. Campbell advised the purchase power cost for Fiscal Year 2026 is projected to be 8.2 million. Originally it was forecasted to be 6.2 million.

Mr. Bales asked Mr. Campbell to explain the proposed rate increases.

Mr. Campbell gave a brief overview of the proposed rate increases to the Council. Mr. Campbell advised it equals out to be an increase of $43.44 per month for the average customer.

Mr. White stated that he appreciates Mr. Campbell for providing all the information, but there was no way they could increase the rates that fast. Mr. White advised they are one year away from their long-term plan with the 5mw Generator.

Chief Holt stated they did not have a choice but to increase the rates due to the cost of purchasing power increasing dramatically.

Mr. Campbell advised that it's a struggle to pay the current debt service and the payments that are needing to be made now.

Mr. White inquired if they are allowing for the grant money that will be coming, Chief Holt advised they were.

Chief Holt stated he was unsure of how this was portrayed to the Council previously, but he wanted to give them an eyes wide open approach to the proposed budget. Chief Holt stated they will have to dip into the General Fund to make the bank payments on the generator that are coming due.

Mr. White stated that over the last three years, AEP has had several increases, so for our citizens to benefit, we didn't have any increases.

Mr. White inquired if they had considered a staged approach, Mr. Campbell advised that it depends on the timing on the grants and loans.

Chief Holt advised they have taken every scenario into consideration in terms of the loans. Chief Holt advised these proposed rates are reflective if everything goes right at this point, Mr. Campbell agreed.

Mr. Bales advised they could potentially reduce the rates once the generator goes online.

Mrs. Mollo advised AEP will not be allowed to increase this year, the Governor has just signed the AEP Act.

Mr. White stated the Town is significantly lower than AEP, and the Town needs to hold the line as tight as they can until the generator is online.

Mr. Bales asked if the Electric Fund started the year in the negative, Mr. Campbell advised it did not.

Mr. Campbell advised they have made several payments this year already and the $3.4 million milestone payment is due at the end of April. Mr. Campbell also advised that once they execute the contract with Enbridge it starts the clock on the $2.3 million payment.

Mr. Bales asked Mr. Campbell to explain the shortcomings this year, whether it was the PCA or did power increase. Mr. Campbell stated they needed the PCA to recover the additional fuel costs where they must purchase power at market price. Mr. Campbell advised that due to the storms since the first of the year, they went over and had to purchase directly from market.

Chief Holt credited the employees for going out and peak shaving on cold days as much as they could.

IN RE: Public Hearing- Rate Increases

Chief Holt requested a consensus from Council regarding potential meeting dates for the proposed rate increases.

Upon a motion by Jordan Bales, seconded by Laura Mollo and the unanimous roll call vote of all members present, the Council voted to schedule the First Reading of proposed Rate Increases on April 8, 2025.

Upon a motion by Jordan Bales, seconded by Laura Mollo and the unanimous roll call vote of all members present, the Council voted to hold a Public Hearing for any potential Rate Increases on April 16, 2025, at 6:00pm.

Mayor Cury declared a ten-minute recess.

IN RE: Mayor's Comments

Mayor Cury advised the Council that the Tazewell County Chamber of Commerce has offered them a table at their upcoming banquet for $500 per table or $50 per individual.

Mayor Cury stated the Council had received the following names for the REC Committee:
- Tony Cordle- Out of Town
- Aaron Buchanan- Out of Town
- Jeff Hurst- In Town
- Craig Earls- In Town

A motion was made by Jordan Bales, seconded by Gary Jackson to appoint Tony Cordle, Aaron Buchanan, Jeff Hurst, and Craig Earls to the REC Committee was made, but the motion was withdrawn,

Mrs. Mollo inquired about the lady that lived out of town that had previously sent in an e-mail asking to be considered for the REC Committee.

Mrs. Mollo asked if they would be willing to trade Aaron Buchanan for this lady. Mr. Bales advised he would prefer not to trade him due to Mr. Buchanan helping him with multiple sports.

Mrs. Mollo asked if any of these people don't represent a sport, Mr. Bales advised he thinks that Mr. Cordle does not.

The Council discussed several options for the REC Committee.

Tabled until the next Regular Scheduled Meeting on April 8, 2025.

IN RE: Town Managers Report

Chief Holt spoke to the Council regarding the current Connect/Reconnect process and advised that he had staff to draft a signature page to use from this point forward.

Chief Hold advised that Senator Warner plans to visit the Town soon and will update Council when he has more information on the visit. Chief Holt advised the Senator would like to discuss storm response and how the government can help.

IN RE: Executive Session

Mayor Cury advised the Council would be going into Executive Session for the following:

- 2.2-3711 (A)(8)- Consultation with Legal Counsel- RES Flooding and Tazewell County Fire Contract.
- 2.2-3711 (A)(l)- Personnel-Town Manager
- 2.2-3711 (A)(8)- Consultation with Legal Counsel- Meals Tax Enforcement
- 2.2-3711 (A)(8)- Consultation with Legal Counsel-Tazewell County PSA
- 2.2-3711 (A)(8)- Consultation with Legal Counsel-Teen Venture

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

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

Upon a motion by Laura Mollo, seconded by Jan White and the unanimous roll call vote of all members present, the Council certified that only the following codes were discussed during the Executive Session:

- 2.2-3711 (A)(8)- Consultation with Legal Counsel- RES Flooding and Tazewell County Fire Contract.
- 2.2-3711 (A)(l)- Personnel-Town Manager
- 2.2-3711 (A)(8)- Consultation with Legal Counsel- Meals Tax Enforcement
- 2.2-3711 (A)(8)- Consultation with Legal Counsel-Tazewell County PSA
- 2.2-3711 (A)(8)- Consultation with Legal Counsel-Teen Venture

IN RE: Adjournment

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

Rodney D. Cury, Mayor

Amanda Beheler

Amanda Beheler, Town Clerk