TOWN OF RICHLANDS
SPECIAL CALLED MEETING

The Richlands Town Council held a "Special Called Meeting" on Thursday, April 23, 2026, at 6:00pm in the Richlands Council Chambers with the following present:

Mayor: Rod Cury
Interim Town Manager: Don Marr
Town Attorney: Mike Thomas
Finance Manager: Ronnie Campbell
Project Manager: Absent
Town Clerk: Amanda Beheler
Council Members: Seth White, Gary Jackson, Rick Wood, Jordan Bales, Jan White, and Laura Mollo.

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

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

Upon a motion by Rick Wood, seconded by Laura Mollo and the unanimous roll call vote of all members present, the Council voted 6-0 to approve the agenda as presented.

IN RE: Audit Presentation with Bob Brandenburg, CPA

Mr. Brandenburg thanked the Council for selecting Tucker & Brandenburg for performing the audit.

Mr. Brandenburg advised of the following:
- Stated he was happy to report they have no findings to report.
- Advised the Highway Fund findings from the previous year had been fixed.
- General Fund- Sufficient Fund assets to pay liabilities 3.75 times, prior year was 2.27 times.
- General Fund experienced an Operating Loss of $

Financial Highlights for Fiscal Year 2025
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $21,089,043 (net position). At June 30, 2025, the Town had unrestricted net position of ($11,427,416).
- The Town's total net position decreased by $161,964 compared to a decrease of $375,886 in the prior year.
- The Town's total liabilities at the close of the current fiscal year were $24,416,037, including $21,108,161 in long-term obligations.
- Long-term obligations primarily represent amounts due on the Town's general obligation and revenue bonds, net pension liability and notes payable.
- As of the close of the current fiscal year, the Town's general fund reported an ending fund balance of $4,094,550, an increase of $177,050 from the prior year fund balance.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $4,008,548, or 37.72% of total general fund expenditures.
- At the close of the current fiscal year, the Town had construction in progress projects totaling $13,688,827, which include the natural gas generation project ($12,568,035) and engineering services and construction for the water and wastewater treatment plant upgrade & improvements ($1,120,792).
- During the current fiscal year, the Town purchased several pieces of equipment including two loaders, several vehicles, and fire equipment totaling $1,271,482.
- The Town had one revenue bond at the end of the current fiscal year with a total balance of $291,484.
- The Town had general obligation bonds at June 30, 2025, with an ending balance of $1,011,334.
- The Town had capital leases at June 30, 2025, with an ending balance of $406,077 in governmental activities and $844,366 in business-type activities.

- The Town had a line of credit at June 30, 2025, with an outstanding balance of $9,644,990 in business-type activities. The balance on the line of credit represents the activity for the power generation capacity project, the balance of which is intended to be refinanced by the Series 2024 and Series 2025 general obligation notes with First Bank and Trust Company.
- During the current fiscal year, the Town's net position decreased by $161,964. This is comprised of an increase from governmental activities of $1,896,241 and a decrease in business type activities of $2,058,205.
- The general fund is the government's primary operating fund. At the end of the current fiscal year, the Town's general fund reported an ending fund balance of $4,094,550, including an unassigned fund balance of $4,008,548. Unassigned fund balance represents approximately 37.72% of total fund expenditures.
- The fund balance of the Town's general fund increased during the current fiscal year by $177,050 from current year activities. Total revenues increased by $1,828,658 due primarily to an increase in grant revenues. Total expenditures increased by $1,025,642, which is significantly due to an increase in payroll related expenses and VDOT reimbursed expenses.
- Unrestricted net position of the electric and water and sewer funds amounted to $1,118,225 and ($11,051,466), respectively. The total decrease in net position was $2,058,205 during the current fiscal year.
- The electric fund net position decreased by $1,463,039 from current year activities in fiscal year 2025 compared to a prior year decrease of $627,948. The decrease from one year to the next was a result of an increase in expenses partially offset by an increase in revenues.
- The water and sewer fund net position decreased by $595,166 from current year activities in fiscal year 2025 compared to the prior year increase of $482,402. The decrease in the change in net position was a result of an increase in operating expenses partially offset by an increase in operating revenues.
- The Town's net investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to $32,430,457. The net investment in capital assets includes land, construction in progress, buildings and improvements, improvements other than buildings, equipment, and public domain infrastructure additions in the current fiscal year.
- In the prior period the Town had significant deferred revenue as a result of budgeted underspending of State Highway Funds. The Town has worked VDOT to address the issue and have identified prior qualified expenses that had not been applied to the program. As a result, the Town no longer has a deferred revenue item for the program and the matter is resolved.

The Council had no questions for Mr. Brandenburg.

IN RE: Proposed Budgetfor 2026/2027

Mr. Campbell advised of the following:

EXPENSES

Town Council- No Changes.

Mrs. Mollo inquired why there was nothing under Town Events and it is generally used for fireworks, etc., Mr. Marr advised $5k was moved to Recreation.

Town Manager- Moved Miscellaneous under Contract Consultant (Merchant McIntyre). No impact, just reclass.

Mrs. Mollo inquired about Contract Consultant- Merchant McIntyres entire fee is under Town Manager, when the Council had previously approved Merchant McIntyre, each department would pay a percentage of that fee. Mr. Campbell advised it gets caught up in the Shared Services Allocation on the Quarter.

Mr. Jackson inquired what the Insurance Retirement Plan was. Mr. Campbell advised it was VRS. Mrs. Mollo advised the VLDT is Long-Term Disability.

Legal Servies- Mr. Campbell advised they developed a forecast of 7 months of actuals and 5 months of forecasted, came up with a middle ground of $63k. Mr. Marr advised this is dependent upon litigation, etc., it's a reflection of usage.

Human Resources- Mr. Campbell advised they only changed the IT Service Expense of $15k to be allocated individually.

Finance- Mr. Campbell advised they only changed the Miscellaneous Account and advised they are researching what they will do with the overtime/salaries, in total it is correct, but the mapping looks off.

Mr. White inquired how other localities are handling the 7% Health and Life Insurance increases, are the employees absorbing a percentage of it? Mr. Marr advised the Town is not covering the employee's cost.

Mrs. Mollo inquired why the Salaries and Wages decreased, Mr. Campbell advised that comes from moving some employees out of Finance and placing them under another department.

Mr. Campbell advised the Capital/Needs are some things they have discussed, there is no dollar amount but will be considered at some point, hopefully.

Non-Departmental- Mr. Campbell advised the only thing he changed was Miscellaneous reclass, and in most cases Miscellaneous was supplies and fees.

Mrs. Mollo inquired what the Life Insurance was, Mr. Campbell advised this was for retirees.

Mrs. Mollo also inquired about why Greenway went up, Mr. Campbell stated they figured that they would have additional ground maintenance for events, but they can lower it if needed.

Mr. Marr advised he would like to see programming at the Greenway at some point, to have things that make more opportunities in Town and build a higher quality of life over time.

Mrs. Mollo advised her opinion would be to back the Greenway down and focus on other areas, Mr. Marr advised he would make the note and at the end come to a consensus on where they want to cut.

IT- Mr. Campbell advised they eliminated Miscellaneous and layered in the costs of upgrades and support services.

Mr. Marr advised they had aging Firewall Security that is critical and it is time for the upgrade to be done. Mr. Marr also advised they talked about Backup upgrades as well.

Community Development- Mr. Campbell advised nothing was budgeted in this Department.

Police Grants- Mr. Campbell advised the Revenues for this, is in the General Fund Revenues, and will offset.

Police Department- Mr. Campbell advised they added O & M for the generator and done a reclass on the Miscellaneous.

Mr. White advised the Generator for the Police Department and Wastewater Department was previously being charged to the Electrical Department, so they separated those out to the correct departments.

Mayor Cury inquired about Veterinary Services, Mr. Marr advised it is for the 3 Canines.

Fire Department- Mr. Campbell advised the only change was moving Miscellaneous.
Mrs. Mollo requested Mr. Marr explain the 1 full-time position at the Fire Department.

Mr. Marr advised that he met with Chief Keith, and after weighing all the factors, they came to the decision to remove the benefits and keep the other funds for part-time hours.

Mr. Bales inquired about the financing of the new Water tank Truck built into this Budget, Mr. Campbell advised it was not, it has a two-year window.

Rescue Department- Mr. Campbell advised the only thing that was changed was the reclass of Miscellaneous.

Mr. Campbell also advised that for the Capital Needs they have the 30% match of the $63k for the Ambulance.

Fire Department Grants- Mr. Campbell, advised they are assuming they will get the same amount of money this year as they did last year.

Mr. Wood inquired how much more they owe on the Fire Truck, Mr. Campbell advised it was right under $300k, the loan goes to 2030.

Public Works Street Maintenance- Mr. Campbell advised Miscellaneous was reclassed.

Mr. Campbell also advised they added 1/3 of the Flusher Truck to the Capital, which was $165k, and they are proposing to split that three ways between the Water, Sewer, and Public Works.

Mr. Marr advised Mowing needs to be reevaluated, because Public Works employees are mowing during the times that they should be doing Public Works projects.

Sanitation- Mrs. Mollo stated that salaries have dropped in this department and Mr. Campbell advised they need to add the $30k in overtime and they split that piece out, this will be consolidated back.

Mr. Marr advised they have built in overtime for this department and would like to look at solutions for the cost of going to the landfill.

Mr. White asked if the County was budgeting to fix the transfer station issue.

Mrs. Mollo advised they are not; the County is putting them off again claiming the bids came back to high and are putting it out to bid again.

Mr. White stated that the Town needs to work with the County to come up with a plan to fix this issue, even if it involves making a financial contribution.

Mr. Bales asked if they had ordered a new trash truck, Mr. Campbell advised they did not. Mr. Bales advised they need to check on the current ones and plan for the next.

Parks and Recreation- Mr. Campbell advised they added a line for Events.

Mr. Marr advised this is an area that the Town should be supporting because they are a very active Town and they need to enhance the quality of life for the citizens.

Mrs. Mollo advised she is not saying they don't need a roof, but they have more expenditures than revenue, so she would like to have a discussion about it.

Mr. Marr stated that maintaining the buildings and equipment is important, that's why it's listed as a priority.

Mrs. Mollo advised this was one of the scariest budgets she's ever been involved in, and she would like to discuss it further.

Mr. Marr advised the issue was the revenue not the line items.

Expenditures

Water Treatment Plant- Mr. Campbell advised they added some capital items into this related to the Floculators and a PH Analyzer that totals $180k.

Mrs. Mollo asked if the $180k is our total, or if some of it would be allocate a percentage to PSA and Cedar Bluff, Mr. Campbell advised it was the total and they would allocate some of it out.

Wastewater- Mr. Campbell advised the Equipment Maintenance raised $15k due to transmission rebuilds.

Water and Wastewater Distribution- Mr. Campbell advised this captures the Flusher Truck in the capital.

Mr. Bales asked if they knew what they use a Dump Truck for? Mr. Campbell advised it was just a placeholder.

Electric Fund Revenue- Mr. Campbell advised they will skip this for now.

Electric Fund Expenses- Mr. Campbell advised he added in the VCEDA Loan estimate and reclassed the Miscellaneous.

Mr. White advised if you go to Power Purchased, in 2023 the purchased %,638,204, in 2024 they purchased $6,222,644, in 2025 they purchased $7,349,333, and in 2026 they purchased $8,682,480, which is a 3 million dollar increase in three years because they are paying more for what they are buying.

General Fund Revenues- Mr. Campbell advised the General Fund Expenses is short $314k.

Mr. Campbell said they have not figured in any potential rate increases at this time. Mr. Bales asked if there was a solution to get us to zero, Mr. Campbell advised raising the Real Estate Tax rate to .21 cents would help, every penny is worth $45k.

Mayor Cury inquired about how the Detour affected revenues, Mr. Campbell advised that when he and Chief Holt were working on Fiscal Year 2026, they felt like revenues were down because of the detour where people were not able to get to some of the businesses, so they took that into account.

Water Fund Revenues- Mr. Campbell advised they figured in increases for revenues that are enough to make it to a break-even point, and it includes billing Cedar Bluff and the PSA for their portions of the upgrades.

Mr. Campbell advised they need a .91 cent per 1,000-gallon increase.

Mr. White inquired if this rate lines up with the rate increases where they signed the proposed stepped increases with the Health Department, Mr. Campbell advised it does.

Wastewater Revenues- Mr. Campbell stated that based on the current level of collections, including the upgrades and the billings to Cedar Bluff and PSA, they are seeing about a $3.42 increase to break even.

Electric Fund Revenue- Mr. Campbell advised they are looking at a .06 cent per kilowatt increase.

Mrs. Mollo asked if that included the minimum charge, Mr. Campbell advised the minimum charge would go up $1.10

Mr. White asked if this eliminated the PCA, Mr. Campbell advised it does.

Council had a brief discussion on PCA and potentially taxing Skill Games that are in Town.

Council came to a consensus for Mr. Thomas to investigate what can be done with taxing the Skill Games in Town.

Mr. Bales inquired where the $15 trash fee goes, if it was earmarked for something, Mr. Campbell advised it goes into Garbage Collections and isn't earmarked for anything specific. Mr.

Bales asked if it could be set aside for when the time comes when they will need to replace a trash truck, would like to know where it goes.

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

VA Code Section 2.2-3711 (A)(6) Contract Negotiations :

- Review of Paving Bids
- Review Bids on Website Design Bids and Video Recruiting Bids

Upon a motion by Rick Wood, seconded by Laura Mollo and the unanimous roll call vote of all members present, the Council voted 6-0 to go into Executive Session.

Upon a motion by Jan White, seconded by Rick Wood and the unanimous roll call vote of all members present, the Council voted 6-0 to return to Open Session.

Upon a motion by Jan White, seconded by Seth White and the unanimous roll call vote of all members present, the Council certified 6-0 that only the following VA Code Sections were discussed during the Executive Session.

VA Code Section 2.2-3711 (A)(6) Contract Negotiations-

- Review of Paving Bids
- Review Bids on Website Design Bids and Video Recruiting Bids

Website Design Bid

Upon a motion by Jordan Bales, seconded by Laura Mollo and the unanimous roll call vote of all members present, the Council voted 6-0 to award the Website Design Bid to McNeal & Company, subject to legal review.

Video Recruiting Bid

Upon a motion by Seth White, seconded by Jordan Bales and the unanimous roll call vote of all members present, the Council voted 6-0 to award the Video Recruiting Bid to 1040 Media.

Paving Bid

Upon a motion by Rick Wood, seconded by Seth White and the unanimous roll call vote of all members present, the Council voted 6-0 to award the Paving Bid to W&L for the 2026 year, subject to legal review.

IN RE: Adjournment

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

Rodney D. Cury

Rodney D. Cury, Mayor

Amanda Beheler

Amanda Beheler, Town Clerk