

The Richlands Town Council held a Public Hearing at the Richlands Council Chambers on December 12, 2017 at 7:00 pm with the following present:

Mayor: Jannis White
Town Manager: Tim Taylor
Town Clerk: Connie Allen
Council Members: Doug Ratliff, Mary Ann Strong, Rod Cury, Vickie England
Council Members Absent: Rick Wood, Larry Johnson
Town Attorney Absent: Brad Ratliff

Mayor White – Public Hearing will now come to order. – Consideration of Proposed Ordinance for Local Tax on Cigarettes/Consideration of Proposed Ordinance for Consumer Utility Tax

Mayor White - Do we have anyone who would like to speak that is not on the agenda?

Mayor White – Please add Dr. Willis and Richard Smith to the agenda.

Dr. Willis - It takes courage to raise taxes, any kind of taxes; people don't like to pay taxes. If you want to pay debts you have to have the money. The way that government gets money is through taxation. The Town cannot become stagnant and must go forward. This is not the only generation that is going to live in this Town. Most of you have children or interested in children. There is four (4) generations of my family that live in this community. We have a good start and we can't decimate it, we have to have it solid and ready for our children and grandchildren. In the recent Bristol paper there was an article from Tri-cities that you cannot scrimp on the Police Department, Fire Department or any emergency services. If you do, you will make your Town unattractive to businesses and to people. For an example, if you don't have your Fire Department up to snuff you pay a higher insurance. If you don't have your Police Department up to snuff you can lose a great deal even your life. We need to make sure that we have those things in place. Recreation from reading the paper had some controversy. I thought about the many studies that show that physical education in school, recreation outside of school produces better grades in school, healthier children and productive children. What interested me was that a century ago when the coal companies were building the towns they made sure that a simple part was recreation. I lived five (5) years in Saltville when I was that age and it was interesting. The Town of Matheson owned the place. The school system, hospital, and the Recreation Department was owned by the Town. The Town was owned by the company. The golf course was owned by the company. If it was not productive for the companies for them to put in like they did at Jewell Ridge, it would not have been done. The bottom line of what I am trying to say is, they were more dependent on the health and happiness of the people than adding two's and three's. Happiness and welfare of your people is what counts. Cigarette tax along in comparison with some of the towns that are comparable to us will be about the same as our recreation cost now. Would you pay ten cents on a pack of cigarettes to make sure your children have a safe proper place for recreation? Say you had one (1) adolescent that didn't have anything to do. They got into mischief, which possibly leads to police cost, foster care or may be incarcerated or rehab. All these cost you are saving when you have proper ways for children to use their time. There are other taxes that we need to look at. I am not in favor of paying taxes either, but I am in favor of paying my debts in order to have things that we need in this Town. People move to this Town for the benefits, the protection, and safety. If we don't make ourselves attractive in those manners, not only will we not attract people, we won't attract industry. I call you intelligent. I think the courage to raise taxes, the obvious answer to some of our problems. I have noticed one thing when we talk about waste it is always about someone else's waste. You wasted money but I didn't. Rod gathered up money and wasted on the kids in New York so they would see the world and learn about history; that is a waste if I were talking about my money. It is not my money; I think if we pay taxes here we pay less tax at the federal level. I would rather pay here than there and try to get part of it back for this community. I think you for listening and encourage you to vote for the cigarette tax and study the other taxes.

Doug - Do you live in Town?

Dr. Willis - No

Doug - So all the taxes you are talking about you are not going to have to pay?

Dr. Willis - That is not true, I own property in Town. If I buy cigarettes in Town I would pay the tax. I buy things in this Town.

Doug - If we raise the water taxes you won't be affected.

Dr. Willis - I would not be affected by the water tax.

Doug - No one has ever said that we were closing the Rec Park. No Council members have said the Rec Park was closing.

Dr. Willis - What will happen to the Rec Park?

Doug - Nothing, 70% of the people who use the Rec Park are outside of the Town. I would like for them to pay their fair share. It is not fair for 6000 people to pay taxes and keep up the rest of the county. That is all I am asking.

Dr. Willis - I volunteer to work with you on that. I think people outside should pay a portion of it. I think the community should be united. We don't need to be competitive of each other. That is not what I am hearing, but if I am wrong I apologize.

Doug – There has been all kinds of stories going around that we want to close the Rec Park. That is rubbish. No one would ever think of closing the Rec Park. They want to make it better.

Dr. Willis - I am certainly glad to hear that. Again, I volunteer to help in any way I can.

Mayor White - Richard Smith

Richard – 207 Terry Drive, Richlands, VA – I am not quite as eloquent as Dr. Willis, I would too be in favor of the cigarette tax. For one thing we already have a food tax/restaurant tax in Richlands. As Dr. Willis said we have to look at the future of our Town. Taxes are a necessary evil sometimes. We have to protect infrastructure and the appeal for the outside industry coming in to the Town in order to enhance overall appeal. We have to have a strong infrastructure, recreation, arts and culture events here in order to be attractive to the outside industry. As Vickie well knows, there are houses all over the Town of Richlands for sale that cannot be sold at this time. Our property base has dropped out of what we can get out of our resale value because there is no demand. If you slight amenities in the Town that will make us less attractive and after a while we won't have anyone wanting to move to the Richlands area. I can remember when we ask Mantis Crain what it would take to move their headquarters to Richlands the comment was get a Panera bread. We will never get Panera bread if we can't get base and infrastructure to bring industry to support the business. Again, no one likes to raise taxes. I also support the utility tax. No one wants that but it is a necessary evil in order to keep the revenues coming so the Town can afford the amenities and the cost it is going to take to make our Town attractive.

Doug - We have five (5) merchants in Town that will be hurt if you raise the cigarette tax. You will kill Exxon at the end of town because Food City is not in Town. You also have Little General and Cargo. You only have to drive half mile to pick up cigarette cheaper at Claypool Hill. You will pick up other items. You are putting them at a big disadvantage as far as money. Tazewell gets less than \$40,000; they have raised the tax twice. They keep raising it because they don't get what they think so they keep raising it.

Richard - In the same scenario that you used by having a food tax on our restaurant, are we driving people to Claypool Hill to eat?

Doug - I would say some you are. That is a necessary evil. Food Lion is probably just hanging on compared to Food City. If you keep putting tax on our five (5) merchants you are going to run them out of Town. I promise you will not get what you think you will from the tax.

Richard – Why is it a necessary evil for the restaurant but not for cigarettes?

Doug - Every town has a food tax but not a cigarette tax. Most poor people, unfortunately, smoke. You are putting this on the poor people and they can't afford it. You are putting this on the backs of the poor people that smoke and you are singling out a certain group and that is not fair.

Richard - That may be statistically correct but doesn't necessary hold true. There are a lot of wealthy people that smoke. I don't think you can classify people in that category. I think it is a discriminatory comment. You can say that most fat people eat at the restaurant. That would be just as discriminatory.

Richard - It is a true fact that the heavy people will be in the buffet line anywhere you go.

Doug - I'm just saying you are singling out a group and you should not do that.

Richard - Are you not singling out a certain group when you do food tax?

Doug - We only have five (5) merchants in Town. We don't want to run them out. If a person can save a dollar or more they would go to Food City and not Exxon.

Richard – You can save a dollar on food if you drive to Claypool Hill.

Doug - You can save 25 cents if you drive to Claypool Hill instead of buying in Richlands.

Richard - The point, it is a convenient factor; I would not drive to Claypool Hill to save the money.

Doug - You wouldn't because you have money.

Richard - I don't think I have ever submitted a financial statement to the Town. We all make life choices in what we indulge in.

Dr. Willis - Does the place you are talking about sell cigarettes?

Doug - Yes

Dr. Willis – If you live on this end of Town, you are not going to go to the other end of Town. That is why they are called convenience stores. I don't believe people will do that.

Doug - The Gas and Go sells cigarettes at Doran. They are not in Town but the Exxon is in Town.

Dr. Willis - I would not drive in the opposite direction I was going to save the money. The gas is higher. If you want to care about people the whole aim is to decrease smoking, you are encouraging smoking by decreasing cost.

Vickie - I think it was said there is only four (4) towns in state of Virginia that do not have a cigarette tax. There are rich/poor, smokers/non-smokers in every community in the state of VA. We have to look at the long term effect for Richlands.

Mayor White - Does anyone else like to speak? Ernest Edgell

Ernest - Food City would be in the Town if the Council had done their job right concerning the boundary adjustment. I was here and people on this side of the street didn't want it in Town.

Doug - One person didn't want it. I was not on Council then.

Ernest - You are now. Do another boundary adjustment; they will have the same opportunities as everybody else. If it came down to buying a gallon of milk for my family or a pack of cigarettes, what would I do?

Doug - Depends on the person, I would hope you would buy the milk.

Mayor White – Susie Clark did you want to speak?

Susie – I had no intentions of speaking tonight but I am a resident of the Town and I am a smoker. I have been a smoker since I was thirteen years old. I am not a rich person and it is a struggle sometimes to buy my cigarettes. The five (5) stores you are referring too, four (4) of the stores are higher than anyone on cigarettes. I buy from one store because they are cheaper; I am not going to drive to Claypool Hill to save on taxes. It is not going to make a difference; I am going to buy my cigarettes regardless. I am not going to drive out of the Town to pay a dime less but I am not going to drive from downtown to Richlands and pay forty cents higher on a pack either. Without taxes there is not going to be anything here for my granddaughter to want to stay in this area. I am one of the targeted people for this tax because I am a smoker and I have no problem with it. My friends don't have a problem with it. It is a dime a pack, a dollar a carton. We are not taking a chance in losing support for our Police Department/Rescue or our Recreation Department over a dollar a carton. You need to do what is best for the Town. If you want to target this group of smokers they are not going to complain.

Vickie - I want to commend you, you spoke from the heart and you have our Town's best interest. I really thank you.

Mayor White - Does anyone else want to speak on the Proposed Ordinance Tax on Cigarettes?

Ernie Horton- If you think back, approximately five (5) years ago you implemented the tax on cigarettes. The next month it fell to the wayside. You tried it one time and you should have kept it then. I agree the Town is in a crisis. You need to look around to see what can be done before you start raising taxes. There is a lot of waste in this Town. There are a lot of high paid people. Tim told me last time you had one (1) crew. If you have one crew you have two (2) supervisors.

Tim - We have a foreman and one (1) department head.

Ernie - Still there are two (2) people driving trucks.

Tim - We are going to look at everything we can. This is just a solution that Council is looking at now.

Ernie - I think you added a dollar tax last time, if I am not mistaking, is that correct?

Rod – Yes, it was ten cents a pack.

Ernie - Well, that is a dollar a carton.

Doug - People will think I am crazy when I say this but there is one million dollars in the budget that we can tap on in the next five (5) years and we would not have to raise taxes. It is in the budget. Why raise taxes when we can make adjustments to the budget. There is \$150,000 that we can touch within a month. That is more than you are going to get out of a tax. There is another \$80,000 in the budget just sitting there that we are not using.

Adrienne - Where is that at? I work on the budget.

Doug - I will discuss it during Closed Session. It is \$80,000 we set aside for Downtown Coordinator.

Adrienne - That has not been set aside.

Tim - It has to be borrowed.

Doug - It is \$150,000 which I will explain during Closed Session. It is not a one shot deal, it is every year we can save and add to the budget. There is another \$150,000 that the first \$50,000 we can get within the year and after that \$150,000 after two years and then every year, that is \$380,000. There is another \$500,000 if we work on it. If the county pays their fair share that is another \$500,000 we are wasting. That is \$900,000 in the budget if we readjust it that we can tap on without raising taxes. I promise you I can prove it when we go into Closed Session. It is not a one shot deal it is a savings every year.

Dr. Willis - It is hard to accept without the figures. There are all kinds of talk on political levels that we can do this. It all depends on the Council and Board of Supervisors.

Doug – It does not depend on the Board of Supervisors. It depends on the Council making smart decisions.

Dr. Willis - Sounds like a lot of "IF's".

Doug – If the Council makes the right decisions, we will have one million dollars.

Adrienne - Does that mean cutting services?

Doug – No, not one service will be cut. In fact the services get better.

Adrienne - No police or rec?

Doug – No services will be cut but get better.

Dr. Willis - Does it cut jobs?

Doug – No

Doug - Does not cut any services, makes services better and does not cut jobs. Maybe three (3) or four (4) jobs but we can find them work.

Mayor White - We can't go into "Closed Session".

Audience - You went from cutting no jobs to cutting three (3) or four (4) jobs.

Doug - And saving the Town a million dollars without a tax increase.

Adrienne - If it is in the budget why are we in such a crisis?

Doug - Because the Council has not made the right decisions. Simple as that.

Audience - No services cut?

Doug - No services cut. I have been in business for thirty years I know all about budgets. I can do budgets.

Mayor White - Do we have anyone else who would like to speak?

Jerome - I am Jerome Vandyke and I am a merchant here in Town, Mountain Magic, and I am a smoker. I speak on behalf of the ones that do. If you raise the taxes as Mr. Ratliff spoke, the statistics says the lower income people smoke all you are doing is targeting one group of people. If you want to raise the tax be fair and legally look at the Town as a whole. I know for a fact, some people say ten cents don't make a difference but think ten cents over a year. I know we all drive to Wal-Mart and Food City. I will wait and pick up my cigarettes out of Town. I will not buy in Town. I buy at Happy Mart now. I buy six (6) cartons a month. I will quit doing it.

Ernest - What about beer and wine? Is there a Town tax on that?

Tim - We can't collect on that, the State has the goods on that. They use to share but don't anymore.

Ernest - I wanted to contribute my part. LOL

Mayor White - Does anyone else like to speak?

Paul Crawford - I am not speaking for or against the cigarette tax but I understand we have Town employees that don't make enough money. They qualify for food stamps or assistance. If we have the money you are talking about, we need to pay our employees a sufficient wage.

Mayor White - Anyone else like to speak? If not, we are closing the public comment period. I need a motion to adjourn the Public Hearing.

Mary Ann - I make a motion to adjourn. Vickie seconded the motion.

Rod - Is it for all the hearings? Did we actually call for consideration on the utility tax?

Mayor White - It was on all the taxes. We talked about both.

Mayor White - Does anyone want to speak on the Utility Tax, Cigarette Tax or Body Piercing before we continue with the motion to adjourn.

Vickie - The cigarette tax that was in place for a short period of time, do you know how much money a month came in Town of Richlands.

Tim - I don't remember exactly.

Sue - Maybe \$27,000 or \$30,000

Mary Ann - I make a motion that we adjourn the Public Hearing for the Body Piercing, Local Tax on Cigarettes, Consumer Utility Tax. Rod seconded the motion. Motion passed 4/0.

Mayor White - We have a motion and a second to adjourn, any further discussion? All those in favor of the motion say yes. All those that oppose say no. Motion carries 4/0

Jannis White - Mayor

Connie Allen – Town Clerk