

The Richlands Town Council held a regular monthly meeting in the Richlands Council Chambers on June 10, 2014 at 7:30 pm with the following present:

Mayor: Jannis White
Town Manager: Tim Taylor
Town Clerk: Susan Whitt
Town Attorney: Brad Ratliff
Council Members: Joe McCracken, Rod Cury, Larry Johnson,
Frances Meadows, Doug Ratliff, Mary Ann Strong

Mayor White called the meeting to order.

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

Mayor White asked if anyone would like to speak under Unscheduled Comments. Ginger Branton-Richlands Area Chamber of Commerce, Shawn Durham with Four Seasons YMCA, Earl Boyd, and Vickie England all asked to be added.

Mayor White asked if there were any additions/deletions to the agenda. Hearing none, she asked for Motion to approve the agenda as amended. Rod Cury made the Motion, seconded by Joe McCracken. Vote, all in favor, 6/0. Motion carried.

Mayor White said that Council will be going into closed session briefly. Joe McCracken made the Motion to go into closed session pursuant to Section 2.23711 A (5) Prospective Business-where no previous announcement has been made-Project Jonah, seconded by Rod Cury. Vote, all in favor, 6/0. Motion carried.

Council went into closed session at 7:40 pm and returned at 8:10 pm.

Frances Meadows made the Motion to return from closed session pursuant to Section 2.23711 A (5) Prospective Business-where no previous announcement has been made-Project Jonah, seconded by Larry Johnson. Vote, all in favor, 6/0. Motion carried.

All council members affirmed that the only business discussed was pursuant to Section 2.23711 A (5) Prospective Business-where no previous announcement has been made-Project Jonah.

There are two sets of minutes to approve, one was the Public Hearing one for the regular meeting. Does anyone have any amendments, corrections or changes to either set of minutes? Hearing none, Mayor White asked for a Motion to approve both sets of minutes. Rod Cury made the Motion to approve both sets of Minutes, seconded by Mary Ann Strong. Vote, all in favor, 6/0.

Scheduled Public Comments:

Dennis Lee-was not able to attend.

Larry Johnson-Wanted to present a plaque for a distinguished citizen. He had asked Mayor White for her permission earlier. The reason he decided to do this is, a few years ago he had the opportunity to do some paperwork (at his job) for this couple, whom he had known for several years. The man made a comment to me that he just likes to make people smile and to make them happy. It never really hit me until a couple of weeks ago, I was in the hospital. While laying in the hospital, looking out the window, I see all of these people coming in and out and am wondering how many are going there to see a loved one for the last time. Then I see this man coming up through the parking lot, going around shaking hands with people, showing them his pride and joy as he always does. Everyone walked away with a smile on their face and they were laughing. I would like to present this plaque to Manuel Valenzuela for his distinguished citizenship. Mayor White asked him to come forward. He thanked Council for his award.

Larry said a couple of members of the community also had something to present. He asked Angie Johnson and Michelle Rogich to come forward. Angie Johnson presented an award to someone who goes beyond the call of duty in being dedicated to our town, someone who is a leader and has brought success to the Town, Mayor Jan White. They also recognized Karen Deel, who volunteers to help the Mayor with the Town Activities. Karen was not present and Hobert Lester accepted it on her behalf.

Unscheduled Public Comments

Ginger Branton-Greater Richlands Area Chamber of Commerce-introduced Sydney Charles, who was just crowned Ms. Greater Richlands on Saturday night. This is her first appearance. She will be representing Richlands at a few upcoming events, such as the Carnival and the Freedom Festival.

Ginger advised that next year's Carnival dates will be June 16-20, 2015. She hoped with Council's approval to move forward with plans for that to be held at the Police Department as in years past. Some discussion followed. Doug Ratliff made the Motion to approve the requested Carnival dates for 2015, seconded by Rod Cury. Vote, all in favor, 6/0. Motion carried.

Ginger thanked Council and added that she had been informed of dates for the Carnival for the next two years as well; she requested to be placed on the calendar for the same time next year to request to use the Police Department then. Those dates are June 14-18, 2016, and June 13-17, 2017. Anytime you have anything you would like for Sydney to do for the Town of Richlands, please ask her. One of her services is to be a service to the Community.

Shawn Durham-Four Seasons YMCA, 106 Gratton Drive, Tazewell, VA. YMCA has a passion for serving communities; the needs of those communities. Recent health studies of the counties of the State of Virginia, out of 131 we rank next to last. The only area that we rank ahead of in Tazewell County is a small area just below Richmond, very poverty-stricken area. A lot of numbers go into ranking us; it is access to healthcare, morbidity rates, smoking, heart disease and education. What YMCA did when it came to Tazewell five years ago, is make a change in lifestyles. You don't ride through the Town of Tazewell without seeing someone walking, much like this community. A year and a half ago, we opened a branch in Russell County. We now serve Tazewell County, Russell County and also our neighbors on our borders in Buchanan and McDowell. Three months ago, we opened a branch at SWCC. So now we stretch down that corridor so that every 30 miles, there is a YMCA. YMCA is a community through its programs. One of the programs that we are most proud of in Tazewell is our community garden and our farmer's market. It is a big part of educating folks on how to take better care of themselves and also offer fresh locally grown produce, grain-fed beef. We also have folks that sell honey, pumpkins in the fall and those types of things. We have a market manager, Bill Bunch. He is here to answer questions that I can't answer. He is the manager there and we have a voucher system. What we are requesting tonight is to bring our Farmer's Market to your facilities at least one day a week. In Tazewell, we run it on Tuesdays and on Saturdays. We would like to bring that to your community and set up here one day per week. Bill can tell you more about the vendors that he does have. Once you leave Tazewell, there is not another Farmer's Market until you get to Russell County, located just beside the YMCA there. We generate a lot of traffic at the Y and a lot of people to our market. The market also generates some traffic for some other things. It brings people into town that normally wouldn't come into town. The exciting thing about a community garden is that people who don't have space for gardening can rent a row and grow things there. A lot of people have space but they like coming to the Y and having their garden there because it brings that community together.

Bill Bunch, a vendor at Tazewell market. The reason we want to come to Richlands is because so many from Richlands have been coming to us with their Senior Nutrition Vouchers, tickets for low income senior citizens. They can get \$40 worth of vouchers. We had people last year come from Buchanan County and Richlands. We do not want to interfere with anything at your market right now. Myself and two other vendors at the market that can take those vouchers. We will come and bring as many of our other vendors as we can at that time. We have all Virginia-grown produce but we also bring some fruit and things from down in Carroll County. We also trade with the Amish people. We just need to designate a day so that we can tell people from Richmond so that if they want to be here for an inspection to see what is going on, they will know where we are.

Mr. Taylor asked how many vendors might come this way. Mr. Bunch said he knows for sure of three.

Mayor White asked if he had a certain day in mind. Rod Cury said he thinks it is a positive step in the right direction for a healthy community. He said he supports it. Larry asked if Thursday is a good day. Joe McCracken agreed with Rod. Mary Ann Strong said the sooner they can start the better. Mr. Bunch said July 1st is when they can start using the vouchers, so the 3rd is on a Thursday.

Mr. Taylor said he thought they could pick any day to be there.

Earl Boyd- 871 Big Creek Road, Richlands, VA- He said he knew the mowing had been done by the Town employees a couple of years ago. We have a strip of property between the road and railroad that got mowed three times last year and has been mowed one time this year. The grass is high. Other than looking bad, I have a neighbor across the railroad tracks that come over to the mailbox who is on a cane and has to walk through that so I would appreciate it if it could be mowed more often. Mr. Taylor said it would be taken care of, it is the responsibility of the Town, it is not private property.

Vickie England-Chamber Leadership 2013 Academy, the graduating class wants to do something for the community. What we would like to do is on Friday, August 8th at the parking lot beside of the post office, at no cost to the town, we would like to do movie night. We will have someone there selling concessions. We want to utilize the movie "Lassie" since it was filmed here and it's a good family movie. The next night, Saturday, August 9th, we want to have a BBQ cook-off. We would like to take the end of Suffolk Ave at the library, go to the Farm Bureau and have that shut off. We also want to have a band; Chris Plaster said he could probably get something worked out. We would also have concession with drinks. It was brought up to have beer, but I am not a fan so it's no big deal either way. This would all be sponsored by the Leadership Academy.

As far as the times, the movie should probably start around 9:00 pm. the BBQ probably around 6:00 pm but whatever is good with the police. The name they are thinking of is Blue, Blues and BBQ.

Mary Ann Strong made the Motion to allow the Leadership Academy to have movie night on August 8th and the BBQ on August 9th at 9:00 pm and 6:00 pm respectively. Mr. Taylor said we would have to ask permission from VDOT before shutting down a street. As far as the sensitivity to the businesses, since this is a Chamber event, you will take care of all the contacting them, etc. Vickie said whatever needs to be taken care of. Joe McCracken seconded the Motion. Vote, all in favor, 6/0. Motion carried.

Council Member Reports:

Rod Cury

1-had a few street requests that he had given to Tim.

2-Vacancy on Planning Commission. Ernest Edgell has resigned. I would like to bring forth the name of Mike Bandy, a CPA here in Richlands. He is a resident of Richlands. He made a Motion to submit Mike Bandy's name as a nomination to fulfill the vacancy on the Planning Commission.

Mary Ann Strong said she thought he would be an outstanding choice. Joe McCracken seconded the Motion. Vote, all in favor, 6/0. Motion carried.

3-We had planned on having our Planning Commission meeting on the 3rd of June, but were unable to. Next scheduled meeting is June 17th at 7:30 at Town Hall. The first order on the agenda will be to take up the request from Ms. Mitchell and Mr. Sawyers who requested an additional use in the R-1 Zone. We will be working to find ways to help them and make a recommendation to the Council. We do need a public hearing on whatever the Commission decides. He deferred to Mr. Taylor and Mr. Taylor deferred to the town attorney. Brad Ratliff confirmed that there would need to be a hearing as well as publish it in the local newspaper as required.

Doug Ratliff asked if there was a sheet of suggestions. Mr. Cury said all that he had was the letter of request. Mr. Ratliff said that Mr. Sawyer's letter had some good ideas. Mr. Cury said Mr. Sawyers and Ms. Mitchell were welcome to attend the meeting on the 17th.

Joe McCracken

1 I have discussed some things with Tim that will be taken care of.

2-Foot traffic from Critterville. A lady says people walk behind her house, through her private property from Critterville going to Farmer Street. She has brought it to my attention a couple of times. She would like to have it deterred a little. She says they come through there all hours of the night. Chief Dorton asked if her property was posted. Joe said she had posted her property before. He will provide the address later.

Frances Meadows

1-Asked Mr. Taylor if he had heard anything from VDOT. He said he had sent them maps so there is no confusion about the areas he was inquiring about. He gave them maps on both requests, hers and Mr. Ratliff's. It's only been about a week now. It is Mr. Buskill, I did find the right person to get them to. If I don't hear anything soon, I will give him a personal call. It is a slow process.

2-She said she knows that we have quite a few mobile home parks in town, I am very concerned with some of the dwellings that are in these mobile home parks. She was wondering what they can do to go through and check on this. If these mobile home park owners also own these mobile homes, they do have to be up to a certain standard. Some that she sees really need to be checked. Mr. Taylor said certain things within the Code, the requirements in the conditional use permit that was issued years ago has a set of rules and regulations that the park owner is supposed to provide. Not requiring tenants to keep up with those is a direct violation of the conditional use permit in the Code for that. Things like litter and things like that may be different. There are multiple ways to approach this, probably have Code Enforcement do a review. What we normally do for a gross violation, as Zoning Administrator, I will deny all future permits until they do what they need to do. Frances said she had a couple of lists.

Doug Ratliff

1-had a couple of requests and sent word to Chief Frank Dorton.

Larry Johnson

Suffering from laryngitis, Larry didn't have anything to say.

Mary Ann Strong

Said she had been given authority by Council to talk with the IDA members, those that had current terms and those that have expired. There is 6 total. There is 7 by the By-Laws on the IDA. John Barry was the 7th and is no longer in our area. So of the 6 that I have contacted, two wish to continue to serve and those are Vickie England and Jeff Brown. Gene Hearl asked for a little more time to think about it, a week or so. But the following said that they would decline at this time and that is Andy Altizer, Edwin Pruett and Jeff Hurst. So I have read the By-Laws and the timing is actually good because the By-Laws state that the annual meeting of the Richlands IDA is to be held in July of each year. I would like to propose that at the next Council meeting in July, that we have nominations for the remaining members and that we could approve those so that those IDA could begin functioning in accordance with their By-Laws and have their annual meeting in July. There is not a specified date in July to meet.

Mary Ann said she could send an email to everyone on the Council as soon as she receives word from Mr. Hearl. That way we will know if we need 4 or 5 nominations, depending on his response. To serve on the Committee, you do have to be a registered voter obviously in the Town of Richlands. So we have to have citizens of our Town. I think that it is critical that we get the IDA formed and back to functioning. I know that Vickie England and Jeff Brown were both very excited to serve again. I think when we consider the other appointments, we need people that are extremely interested and very willing to work and not to just wait on businesses to come to us. I think our IDA needs to be seeking industry and business to come to Richlands.

2-She apologized for missing the last budget workshop due to family issues. She felt she should have brought this is up at that time or if she should wait until Attorney's comments since it's pertaining to the Budget. She had been approached by the Teen Center asking if there was any possibility of some assistance from our budget due to the fact that their funding is declining very rapidly. They are very concerned about continuing in operation. The only possibility that I could think of with them and they would be extremely grateful if the Town could possibly give them up to \$400 monthly credit on their utility bills. I apologize, I know this is coming in at the last minute of the budget planning. Mr. Taylor said it might be best to bring up during the budget in case there are questions. He said one thing for sure we don't want to do-experience has proven we do not want to credit anything against a utility because there are too many things tied to a utility. You can handle giving money by donation better than any other way than giving credit on anything. It is best not to credit on utilities. Mary Ann Strong said the reason they (and she) had thought of this is that the Little League doesn't pay for utilities on their facility. I am the first to agree that the Little League serves many more children.

Doug Ratliff supported the idea. There are a lot of great charities. It's hard to choose which ones to support. The Teen Center serves the Town. He said that Council needs to remember the Town employees that make maybe \$20,000 per year and are trying to raise a family and if we give away \$4,000 to \$5,000, that amount would add \$80-\$90 to their salary. He said Council needs to carefully consider before giving away money especially when the budget is this tight. It is hard to give to one group and then tell another group no.

Mr. Taylor continued to list reasons that giving credit on utility is not a good option. He also said that this would be better discussed during the budget work session.

Mary Ann said they realize that there are limitations and did not want to ask for an exorbitant amount of money just some help in order to remain open. Tim said that he didn't want to brush it to the side by any means, he thinks they do a good job, as do others such as the Food Pantry, etc. With the condition of the budget, it is very hard to make those decisions. That is the burden of Council. You might want to consider it through the budgetary

process instead of tonight. Mary Ann said she had a commitment to bring it up so that everyone can be thinking about it. Tim said the budget is fluid and you can always work with it as you go along, those things can be modified as you go. This year's budget is different in that way from years past. It is a fluid document. It is not a rigid document.

Mayor White asked if there would be additional budget work sessions in which this can be discussed further. Mr. Taylor said there would be.

Mary Ann said she had a message from Vickie England, she wanted to ask if for the BBQ, if it was with beer or without. Mr. Taylor said that would be an ABC issue and didn't think they would be able to. She is fine with no alcohol.

She asked Council, Town Manager and Town Attorney to consider moving the meeting time of Council to 7:00 pm instead of 7:30 pm. She is not opposed to meeting late but sometimes we are at midnight trying to make critical decisions. Thirty minutes is not a lot and may not make that much difference. Not sure how it goes with Larry's work schedule and Doug's. The Mayor said that is something that could be changed when they do the re-organization. Brad Ratliff said that is at Council's discretion. Tim Taylor said it is normally done after the election.

Frances Meadows said that last week there was an incident on the four lane close to where you go into Hill Creek there at Altizer Street. There have several incidents where the traffic is blocked on both side of the four lane for a while, sometimes it's a long period time. Sometimes they use that road where Mr. White had bought the home, it was a private drive, I was wondering if we could work out some arrangement with him if there is an emergency, if the police could take down the fence (the rails) and then put them back when they get done so that we could use that in case of an emergency when both sides of the four lane are blocked. There have been instances where the ambulance has to get upon the median to get to the hospital. Tim said he would talk to Mr. White if Council wanted him to.

Dept Head Reports

Distributed previously.

Mary Ann Strong asked Chief Dorton about the six tickets issued for not having Town decals. She had been approached by some citizens that are disturbed because they bought theirs and they see their neighbors without the decals. She asked if six tickets issued was more than normal. Chief Dorton said that is typical. He said close to 90% of decals have been sold. She said the citizen with the concerns lives in Hidden Valley.

Brad Ratliff said his policy is that if an officer writes the ticket the offender should not be forgiven just by buying the decal after cited.

2-She was asked about the driveway of Gerald Ramsey and Stan Lampert, there is a speed bump, they asked if there was any possibility of having it removed in the future. It's on Valley Drive. Hobert Lester said that was put there to deter water from going down on them. He is not sure who placed it there. Mr. Taylor said they would look into it.

Doug Ratliff said that the drains on Plantation Drive need to be cleaned every 3-4 months. They are filling up.

Mayor White announced that Council is scheduled to visit the Tazewell County Airport, July 8th at 6:00 pm. That is the same day of the Council meeting. She asked if this day was still good with everyone. We could meet here at 6:00 pm and they will pick us up and bring us back. It is not mandatory. Rod Cury reminded them of the public hearing at 7:15 pm.

Mayor White gave an update on the Freedom Festival. She said they had well over 100 vendors already registered. They have even had to ask for additional space for vendors. She had spoken to Ervin Davis and he is going to let them use the parking lot above BB&T Bank. She said they had a phenomenal response this year. She thanked those who had helped solicit funds: Mary Ann Strong, Michelle, Jeff Brown, Larry Johnson and Karen Deel. The 5K is June 21st. We are not sure how many we will have for that, tomorrow is the deadline for the early registration with a reduced rate. You can still register on the day of the race. She encouraged everyone that could to help with the Race and the Festival. It is a huge undertaking and we appreciate any help. The Festival is one evening and a whole day. There is one more Festival Committee meeting Thursday, June 12th at 7:00 pm at Town Hall.

Attorney Comments

Brad Ratliff

1-Update on Tax Collections-we have initial contact with these folks who owe past due real estate taxes and that resulted in some payments coming in and we are pleased with that. We sent out follow-up letters to those folks who didn't respond to the first letter within thirty days. We haven't seen any real response from that follow-up letter. Our next step will be to initiate legal action to facilitate payment on these past due taxes. He said they had sent letters to all but one that was on the list and that would be followed up on.

2-We have several annual Ordinances to consider this evening.

a-Consideration of Ordinance #O-2014-06-01 Adoption of State Law Section 1-6-this is the Criminal Code Adoption for our Town. For the Town to be able to enforce codes. Rod Cury made the Motion to dispense with the second reading of the Ordinance, seconded by Larry Johnson. Vote, all in favor, 6/0. Motion carried.

Larry Johnson made the Motion to adopt the Ordinance, seconded by Rod Cury. Vote, all in favor, 6/0. Motion carried.

b-Ordinance #O-2014-06-02-Adoption of State Law Article X, Section 11-12- This allows us to enforce the traffic codes here in the Town of Richlands. Mary Ann Strong made the Motion to dispense with the second reading, seconded by Rod Cury.

Vote, all in favor, 6/0. Motion carried.

Larry Johnson made the Motion to adopt Ordinance #O-2014-06-02, seconded by Rod Cury. Vote, all in favor, 6/0. Motion carried.

d.)-Ordinance #O-2014-06-03-Adoption of Real Estate Tax. Tax rate remains the same at .16 per \$100. Rod Cury made a Motion to dispense with the second reading of the Ordinance, seconded by Larry Johnson. Vote, all in favor, 6/0. Motion carried.

Rod Cury made a Motion to adopt the Ordinance, seconded by Larry Johnson. Vote, all in favor, 6/0. Motion carried.

e) Ordinance #O-2014-06-04- Adoption of Budget for 2014-2015. Larry Johnson made the Motion to dispense with second reading, seconded by Mary Ann Strong. Vote, all in favor, 6/0. Motion carried.

Mayor White deferred to Mr. Taylor to discuss the Budget prior to voting. He said there were some changes. He referred to the Memo from Adrienne Cordle concerning those things including the removal of \$347,715 from the revenue stream that was recommended by staff to be taken up at a later date. I will explain that momentarily. We added contribution of \$5,000 to downtown activities for community and civic facility activities. Part of the Budgetary process, just so we know and to help the public also, ordinarily how the budget works is that we have two budgets that we normally deal with. One is the General Fund Budget, which is made up of the Governmental Budget as well the Proprietary, which is the Utilities; the business side of it. Those have been reviewed by Council. Then we have a Capital Expenditure Budget which

identified long term needs and projects that Council would be faced with trying to fund. The first part, the General Fund Budget, is the normal day-to-day operational budget with some small capital in there based on the criteria that might be established by our capitalization program. Some of our concerns that we have had historically are over the past number of years, as our declining governmental budget, which is incorporated into the General Fund Budget and our depleting of revenues that we have had for prior years' application for any type of overages that we might have. This year we have a problem in that particular area that identifies (if you will look on your governmental budget sheet) as \$391,433.00. The bottom line of it when you take into account the Capital, is \$994, 751.00. is the total deficit. The difference between those two figures and the reason they are applicable to concern is that the Budgetary Figures and Expenses for the Capital Expenditures are more lower term, rent-driven, project driven type of applications. That is where you would find capital expenditures that might be for purchasing large trucks or paying for specific projects like the Section House and other type things that are grant-funded. Those have revenue streams except for, depending on which department it is, the truck. It also has paving in there which equates to \$300,000 of paving if we are funded. The problem that I see with this year's budget that makes it even harder to deal with versus the past few years, is the fact that the State still doesn't have a budget. If you read the periodicals and listen to the news forecast, you see our state is still in a quandary and we have had all kinds of discussion and debate at that level. They will not release any figures to us until they get a budget. So our best guess is based on what we have available at the time. You receive those notices from the State Treasurer about putting us on notice about that; that is not what we are trying to address tonight because we don't know. We don't know how to address that until we know what those figures are. But we can't stop doing what we do. Again, budgets, historically for bigger communities, are year-end projects. We are not in that category. We start our budgetary process with staff around December, we get everything together, maybe have one or two small discussions with Council prior to April. Then after that, we adopt a budget and move on. It is pretty solid. Our problem this year is that we don't have a lot of cash to put toward the operation side, which is our day-to-day side. The capital side, we have some flexibility. We have the ability to decide to delay, things that don't have a revenue stream today that we may anticipate it having one later in the year, we could delay that. We could even delay it a couple of years if we think it is not prudent. For instance, our paving. That takes away the fact that we need it. We need these things or we wouldn't have them in there. But we have to prudent with the taxpayers' dollars based on sign of the times. So paving is a good example. We have the application for revenue sharing on a dollar for dollar basis. If the state decides not to do that, then we don't get funded then that will have to be reviewed. We may have to change our philosophy on what we pave. If they do fund it, but we don't have the match then we can delay paving for a few years. We have options in that capital to do that in certain areas. We need a garbage truck, which is around \$140,000 and we have it in the budget so if we are lucky enough that we missed our revenue projections then we could buy that later on. Those types of things are a management issue with staff to try to manage that. We are not going to buy anything or spend anything just because it is in black and white here until we get it. That is the management piece and we have always done that. If we have money in reserves for the Governmental side to pay for that then we do that. If we don't, we won't spend it. The problem as we have been discussing in Budget work sessions is a concern to us is the depletion of the savings in the Governmental fund. You heard that from the auditor. We went from around \$1,200,000.00 to \$900,00.00 down to \$500,000.00 or so. Those are triggering areas that you don't want to do. It is always harder to take care of problems that arise on a day to day type thing, it is also a problem for us that our business plan needs to be adjusted, even if it is taxes, it still needs to be looked at. Today, we have a \$391,000 problem. We have it in capital but we have some flexibility. That is staff's worry and mine too. That is why we are not going to be able to wait until December and part of this reflects on the fact that we are going to have some

rate increases somewhere that makes sense. If anyone has any ideas about how to maximize the money, then that is a challenge but we will listen to anything. The department heads know a lot about the town and what to do. We will interact with them. But instead of us waiting until December, we are going to have to start working on this budget in late August or the first of September. The reason I have picked that date is because we will have our cost of service study pretty much finished for electrical department and we will be getting our cost of service study that we will do in house for water utilities. The good thing is our utilities are strong. Our rates are low but we have challenges in that area too. But we are solid in this area. We do have a problem and we have to fix it somehow. Obviously it is the burden of Council through the staff recommendations to be able to help get that back on the right track. We have had these budgets before but we have had money to cover it in our savings. We always had a little deficit budget with money collected to fill-in if we needed it, but that has been depleted. That has been brought up numerous times in the budget work sessions. That is why I say it's hard because folks have needs but especially hard if it's coming from the governmental side, which it would be, to address everyone's needs, even though it is a good project. This \$391,000 is the core stuff that we have to do. It's the payroll, the insurance, it's the energy costs that the governmental has to pay. It's the liability insurance, it's all of those things we have to pay, they don't stop. Often times, it has to do with jobs and people so it's really important that you make the right decisions. The reason we couldn't get that done before the end of the year is because there are so many unknowns. We focused a lot of time on the electrical bills and we don't know what the State is going to do, we kept waiting on them and nothing came to fruition. If you have any questions, we have Adrienne here tonight, she is the expert, she can tell you anything you want to know.

Doug Ratliff said that if we enlarge our services with the things that we are thinking about, won't that take some of the pressure off. Mr. Taylor said hopefully it would help.

Anything that will help, we will do it. If not, then we will have to say no. For example, it does no good to cut money in the Street Dept., because even if you save money, you can't use it in other departments. What that does is effect the quality of those services, we can't do things as nicely as we once did. We are not constructing anything.

Doug asked in order to take some of the pressure off the budget, if we could focus on the things that we are proposing, such as transportation, there is the gas that we need to pursue and push hard because that would help the budget a lot. Pursue things that would generate revenue. Mr. Taylor said those are capital, some of them, that is operational with the transport, obviously. Gas is a longer term thing.

Doug said the transport would bring in money to help meet the deficit in the budget. Gordon will be bringing something to Council in July. Doug said we need to think outside the box, we have been doing the same things for forty years and it's not working. We need things that will generate profit.

Mr. Taylor said his thinking tonight is, why are we passing a budget that doesn't balance. We don't balance hardly at all with revenue streams that we get every year. That is not how we do business, we try to save toward projects. So what that means is if we have a project that we know that we need, like a garbage truck, we only buy a garbage truck every five years. So we don't go and borrow the money, we save the money as we go. So often times, we will save and collect and that one year, it looks like a bad deal, but it isn't because we are paying for it all in that year. But the problem this year is that we don't have a lot of savings.

Doug said there are three things we can focus on and really move on:
1-EMS Transportation

2-Gas Project

3-collections

He said those three things would wipe out the \$391,000 deficit.

Mr. Taylor said as far as the transport, we have that report coming in July. That would be maybe a work session type thing also. That is not the big picture that I am talking about. We need to get into a full-fledged meeting every so often regularly.

Doug brought up the gas project. He said it would change things overnight if we go ahead and get going. It could wipe the \$391,000 itself.

Mr. Taylor said we need to change our philosophy too, maybe it is okay to transfer funds because that is utility. Doug said it was a different utility. Everyone has to have electricity. Tim said he understood and that was something Council will have to agree on.

Mr. Taylor said they have a plan and it is to get the budget passed so we can get focused and move on. We just can't solve that in two weeks.

Rod Cury asked once we get the cost of service study then we can get into the budget work sessions early by late August or early September and begin to work toward reducing the \$391,000.

Mr. Taylor agreed and said to put to bed the utility piece here and work on the water and sewer which we will have early, we will do that one in house. This problem is not the utilities, this is police, fire, rescue, rec, etc. That doesn't have enough fees and taxes to support it.

Joe McCracken asked if he was saying that fees and taxes must rise? Mr. Taylor said either that or find some other way to fund it through transportation or whatever projects that you all come up with.

Doug said he wanted to work on generating more revenue not tax more. Joe McCracken asked Adrienne what her suggestion was to fix this problem. She agreed with Tim, there is going to have to be some sort of tax or service revenue to bring that up or cut and I don't know where else you could cut. The fees and taxes do not support the budget.

Mr. Taylor said if you can come up with something that works, we are okay. We have to start working on it. There is no use waiting until the last minute, if you do have to enforce a tax, there is no need not to understand it. You will have to talk about it. You can't bury your head in the sand.

Joe McCracken stated the bottom line is, we are in the red, and it has to be fixed. Whatever it takes to fix it, will have to be done. He wants the public to know that it is in the red and there could possibly be increases due to the budget.

Mary Ann Strong said if we had the gas that would be huge. Doug agreed, he said we need to focus on having the gas in place in three months. Focus on having the transportation in three months.

Mr. Taylor said you really have to understand that there is a misconception that you can raise taxes on anything, you can't. There are only certain things you can do.

Mayor White asked Mr. Taylor if he was conservative in his figures from the State. He said we are always conservative with the figures on the revenue side. We could have made you all happy but putting a little here, a little there but that is not the professional way. I have staff that knows what they are doing. We are fortunate to have the talent we have. You are commended to keep the

taxes low, I don't want to pay higher taxes either. I just want to be a realist and want you to understand we are trying to be as professional as we can be and not be negligent in what we do. I am obligated by State Law and Town Charter to tell you the truth. That is my job. Then it is up to you guys to vote and decide what the best thing to do is and has the least impact to get the best quality of service. We are not perfect, we make mistakes but we have a good crew that really cares about the Town and the citizens. We are just going to arbitrarily raise taxes but you have to at least have the knowledge to know what you have to do with that because if it is the last resort then it is.

Mayor White asked how long is it when you get the figures for the State after they approve their Budget, how long does it take you to get the figures. Mr. Taylor said it is immediate. We have VML that posts those. We may want to look at those at our first meeting, there are some codes about changing the budget. You have to change it actually 1% or \$500,000. All that means is you have to go back and announce what you are doing and the public has a chance to come and listen to your quote, which you do anyway, if anyone has a concern they can come and talk to the Council. Once you do that, we can adjust the budget as we go. Now capital, if it's over there, we can handle that in a different fashion. Those are longer term items. With capital, there is more flexibility. If you are depending on that revenue to shore up the governmental side then that changes things. We have a lot of immediate needs, we also have day to day needs that we have to keep our people, We are already short-handed. I am trying to figure out a way to get some things to you that cost the least amount of money and when it comes to some things that are outside our expertise, like gas production, we need some help. We are working on that. We are just not a point where we can bring it to an open meeting. There are some good things going on in the future for us. We have to realists and know that this is a difficult budget and there are difficult decisions to make and you have to have enough information to make the right choices. Let's go ahead and pass it with what we have and get better educated and get those things moving. We will talk about transport in July; we will talk about the cost of service study in August or September. If we can get someone to come down and explain it better than we can, to explain the opportunities that you may have for that part of it, we will do that. Following that, we will do that cost of service study for the water and sewer. One of the biggest worries that we have is the unfunded liability for VRS, our retirement system, is going to be put on our books as a liability next year. We are looking at six or seven million dollars of unfunded liability. We are supposed to plan to pay that down. That is a pretty big exposure to the Town. That is a long term problem that we need to be thinking about, not an immediate concern.

So anytime something as simple as the Teen Center or the Food Pantry asking for donations, you need to have the ability to tell folks the truth. Sometimes it's either or. But it is bad, and you should not give away any donations of any sort that makes it harder on us, especially since our employees have not had a raise in many years. They have good benefits and are certainly appreciative of it. A lot of them are raising kids, we have a few more younger employees now than we used to have. It is important that one day we factor that in so that we can keep good folks that work for us.

Rod Cury thanked Sue and Adrienne for attending tonight. It means a lot. Joe McCracken thanked them also.

With no further questions or discussion, Mayor White asked for a Motion to approve the budget. Larry Johnson made the Motion to approve the Budget, seconded by Frances Meadows. Vote 5/1, with Joe McCracken voting no. Motion carried.

Brad Ratliff referred to the other two Ordinances, which are inter-related. One is for EMS Billing, there are to be edits to that particular Ordinance so I would suggest we table these until the next meeting.

Town Manager's Report

1-Authorization to pay bills-Mr. Taylor went over the check register which included bills for the month totaling \$645,667.19 including AMP Power Bill \$316,662.22, Anthem \$73,142.00 and VRS \$52,282.49. Larry Johnson made a motion to authorize the Town Manager to pay the bills, seconded by Rod Cury. All in favor, vote 6/0. Motion carried.

2-VRS Contribution Rates-By law, the Town Council is required to pass the Resolution to adopt the certified rates that are given to us by the Virginia Retirement System Board of Trustees. This needs to be voted on in order to get in the mail tomorrow. He read the Resolution in its entirety. The new rate effective 7/1/14 is 22.95%. Larry Johnson made the Motion to adopt the Resolution, seconded by Rod Cury. All in favor, vote 6/0. Motion carried.

3-National Weather Service Communication Project- It was generated to help improve our public safety communication. The NWS became an option because they wanted to locate a site in Richlands. We have passed a Motion to enter into a agreement with the Tazewell County PSA for the site and we have signed and forwarded that on to them. They have voted to adopt the resolution and may require some board action. We do have authorization to go a ahead and start construction, we have the building permit. We have the design finished, the tower is ready to be installed, the concrete has been poured. E. Dillon is going to donate the block for the control building. We are going to ask for other donations since this is a Tazewell County and a community project, similar to the Burn Building. We need to get some more contributions to help with that. Like tonight during this storm, the people that have the weather radios could have heard about it way before our sirens went off. It is a wonderful thing for us to have. We are in a pocket where we don't get that channel so this is really needed. This is located at Claypool Hill at the PSA tank site. Chief Dorton has been leading this project with Jim Taylor. The biggest thing now is that we have 28 days to wait for the concrete for the tower to season. We hope to get the block next week and get started on that. The biggest challenge is to get electricity to the site.

4-Section House Project-we do have a scheduled web-meeting with the Section House Committee that has been working with the Engineers and Architects on June 12th to look at the 40% design review with the Architects and if everything is a go then the next big meeting will be with VDOT. Once we get the 50% it will accelerate a little quicker. It is taking a little longer than we had hoped. Hopefully we will see some construction soon.

5-Clinch River Scenic Designation-referred to the latest pamphlet from them. It is the plan to have the Resolution at the July meeting to discuss this more in-depth. This is a very good document, it shows what this designation does and does not do for the area. Even the Town of Tazewell is going to ask to be a part of this. This document addresses concerns that property owners may have. It does not take control of the land. The river belongs to everyone. We will be recognized for this designation.

6-Codification-we have asked for a 60 day extension from the June 30 deadline. We have just not had time to review it. He asked Brad to provide any input he had as he goes along, not wait until Council.

7-Burnett Street property-we did advertise the property. We only got one bid on the property and it was non-responsive, it did not meet the minimum bid so I won't disclose it. My recommendation is to lift the minimum bid and re-advertise it. Joe McCracken made the Motion to lift the minimum bid and re-advertise the property, seconded by Larry Johnson. Mr. Taylor suggested it be sold with the condition of tearing down the building. Council agreed. Joe amended the Motion to include the buyer must tear down the building, seconded by Larry Johnson. All in favor, vote 6/0. Motion carried.

Mayor White reminded everyone about the tour of the Airport on July 8th and will send everyone an email to remind them.

With no further business to discuss, Frances Meadows made the Motion to Adjourn, seconded by Rod Cury. All in favor, 6/ 0. Motion carried.

Adjourned at 10:03 pm until next meeting date of July 8, 2014 at 7:30.

Jannis White, Mayor

Attest:

Susan Whitt, Clerk