

RICHMOND CITY COUNCIL

NOVEMBER 17, 2022

The regular meeting of the Richmond City Council was held at the Park Community Center located at 90 South 100 West, Richmond, Utah on Thursday, November 17, 2022. The meeting began at 6:30 P.M.; Mayor Paul Erickson was in the chair. The opening remarks were made by Tucker Thatcher.

The following Council Members were in attendance: Tucker Thatcher, Lyle Bair, Terrie Wierenga and Amber Ervin.

Council Member Kelly Crafts was excused.

City Treasurer HollyJo Karren, City Administrator Jeremy Kimpton and City Recorder Justin Lewis were also in attendance.

VISITORS: Mike Harris, Ryan Rogers, Diana Cannell, Cindy Smith, Lee Anderson, Kim Christensen, Weston Bellon

APPROVAL OF THE CITY COUNCIL MEETING MINUTES FROM OCTOBER 20, 2022.

A motion to approve the October 20, 2022 city council meeting minutes was made by Terrie, seconded by Lyle and the vote was unanimous.

Yes Vote: Thatcher, Bair, Wierenga, Ervin

No Vote: None

Absent: Crafts

AUDIT PRESENTATION FOR FISCAL YEAR 2022, WHICH IS THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022, BY REPRESENTATIVES OF ALLRED JACKSON.

DIANA CANNELL: Thanks to your staff. They do a great job. They pull a lot of documentation for us. We also conduct interviews with them and others. They are always great to work with. We met with the mayor and others as part of the process. They do a lot of work throughout the year as well. I will provide some financial highlights. Your biggest increase was in revenue. Many cities saw this last year. Your population is increasing and property values are increasing substantially as well. The general fund saw an increase in property tax of approximately \$78,000. You received more grants in the last fiscal year than this fiscal year so you are down in that regard. Overall expenses for the year increased approximately \$143,000. Your net income ended up being over \$600,000.

MAYOR: Have we received all of our ARPA (American Rescue Plan Act) funds?

JUSTIN: We received our first allocation in the last fiscal year (FY2022) and the last allocation in this fiscal year (FY2023).

DIANA: Enterprise fund revenue increased approximately \$184,000 while expenses increased approximately \$91,000. The question to ask: "Is your utility fund revenue supporting your expenses?" We had some previous concerns in the sewer fund. This year the sewer fund is positive approximately \$29,000. Being on the plus side is the key. You are seeing the effect of the rate increase now. Fees are now supporting operating expenses. This does not help pay cash for large future projects. Water dedication payment revenue is something which you have recently implemented. There was also some contributed capital last year. When a developer comes in, they are required to install infrastructure as part of their project. When they turn the infrastructure over to the city it is considered revenue and added to your capital assets as well. You had around \$200,000 of this in the last fiscal year. Quite a bit of impact fee revenue was collected as well. Net income in the water fund was approximately \$652,000 and in the sewer fund \$234,000. Across all funds you had about a \$516,000 increase in fixed assets. Page 46 shows information on Capital Assets. Page 47 shows Long-Term Obligations. You paid \$310,000 in loan principal last fiscal year. Your total outstanding bonds equal \$3,847,179.

MAYOR: What is the sales tax receivable?

DIANA: You receive sales tax monthly. The receivable is the amount you received after the end of the fiscal year which was for the last fiscal year.

JUSTIN: Our sales tax revenue for May and June is not received until July and August.

MAYOR: What is the property tax receivable?

DIANA: It is deferred revenue. There is a receivable and a liability. It would include delinquent payments as well. It is what you are expecting to collect in the next twelve months. It is an estimate.

MAYOR: How do we account for water shares received in lieu of water dedication payments? Have we received any this way?

JEREMY: We have received a few shares in the past.

DIANA: If you receive shares, you add their fair market value to your assets.

JUSTIN: The water dedication fund is a restricted fund so those funds are encumbered for a specific purpose.

DIANA: There are 28 or more state compliance items and areas which are tested. Some are tested yearly. Some are tested every three years. There are no findings this year. It is great. It is hard to do. Budgetary compliance can be a hard one. A lot of open and public meetings information is tested. The unreserved fund balance is tested. Congratulations on two years in row with no findings. That is no small task.

TERRIE: I always go to the findings first to see what we missed. Kudos to the staff for keeping us on the right path.

MAYOR: I am glad we are in compliance when I see other entities which are not.

DIANA: Utah is more stringent than some other states. We are hearing a lot of chatter regarding fees. The state is worried some fees are more like a tax such as fire and EMS related items. I think you will see legislation which requires some fees to be treated as a tax. Make sure you don't have any fees like this.

JUSTIN: We don't have any of these issues; however, some other local cities do.

MAYOR: Is Diana aware we created a new garbage fund?

JUSTIN: Yes, I went to her before we created the new solid waste enterprise fund to make sure we were doing it correctly.

MAYOR: Diana, your firm has worked with the city for many years. I think as far back as Mayor Kip Panter's term of office if not longer.

DISCUSSION AND POSSIBLE VOTE ON ORDINANCE 2022-14, AN ORDINANCE REZONING CACHE COUNTY PARCEL NUMBERS 09-067-0009 AND 09-067-0007 FROM A-10 (AGRICULTURAL 10-ACRE), RLD (RESIDENTIAL LOW DENSITY), AND MLI (MANUFACTURING/LIGHT INDUSTRIAL) TO RMD (RESIDENTIAL MEDIUM DENSITY). THE PARCELS ARE LOCATED AT APPROXIMATELY 150 NORTH 450 WEST AND TOTAL APPROXIMATELY 16.68 ACRES.

JUSTIN: The two parcels contain three zoning classifications. They are MLI (Manufacturing/Light Industrial), RLD (Residential Low Density) and A-10 (Agricultural 10-Acre). The request is to rezone the two parcels to RMD (Residential Medium Density). This includes the acreage recently annexed into the city. The area extends on the north to 150 North, on 400 West to the east, to the railroad tracks on the west and to Main Street on the south. The planning commission reviewed the request. They have recommended approval of the request. This is only a rezone request tonight. Any future subdivision proposal will come before the planning commission and city council at a later date.

AMBER: As Justin stated, the planning commission recommended approval. They have a concern with traffic in this area. They are concerned about the future impact of growth in this area in regard to traffic. A traffic study could be done in the area but it might have the opposite effect of what we hope. It could actually raise the speed limit rather than lower it.

MAYOR: The east road, 400 West, needs to be improved. Jeremy, do you have any concerns?

JEREMY: The staff supports the request.

TUCKER: Traffic, roads, infrastructure, etc. will all be reviewed as part of the subdivision application process.

JEREMY: The city engineer will start the review process once the application has been submitted.

TUCKER: Mike, what is the parcel where your house is located zoned?

MIKE HARRIS: Residential.

A motion to adopt Ordinance 2022-14, an Ordinance rezoning Cache County Parcel Numbers 09-067-0009 and 09-067-0007 from A-10 (Agricultural 10-Acre), RLD (Residential Low Density) and MLI (Manufacturing/Light Industrial) to RMD (Residential Medium Density) was made by Tucker, seconded by Amber and the vote was unanimous.

Yes Vote: Thatcher, Bair, Wierenga, Ervin

No Vote: None

Absent: Crafts

DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 2022-03, A RESOLUTION APPROVING THE EXECUTION OF A REPLACEMENT SPECIAL WARRANTY DEED FOR CACHE COUNTY PARCEL NUMBER 09-045-0013 TO KIM AND BRET CHRISTENSEN.

MAYOR: I am grateful Jeremy found the information from the past on this item. He found twice in the past where this was approved by the city council. The documents were never recorded after the Resolution was adopted previously. The first approval was in the 1990's and the second approval in 2004. Neither time was the transaction recorded. We want to make sure it gets recorded. I have asked Justin to go to the Cache County Recorder's Office tomorrow morning to get the deed recorded if the council approves the Resolution tonight. The Christensen family should own this parcel based on a previous agreement. We don't want the liability of having an open water tank. We talked to the local HOA (Homeowner's Association) in the area and they had an interest in the parcel if the Christensen family did not.

AMBER: I appreciate all of the footwork which has been done to get us to this point. I am glad it is being taken care of now.

A motion to adopt Resolution 2022-03, a Resolution approving the execution of a replacement special warranty deed for Cache County Parcel Number 09-045-0013 to Kim and Bret Christensen was made by Terrie, seconded by Lyle and the vote was unanimous.

Yes Vote: Thatcher, Bair, Wierenga, Ervin

No Vote: None

Absent: Crafts

MAYOR: Also, the Wade and Tess Christensen land purchase is also complete and is now available to see on the Cache County GIS system.

DISCUSSION AND UPDATE ON POSSIBLE GREEN WASTE GARBAGE SERVICE FOR THE CITY.

JUSTIN: The current cost for a 60-gallon black garbage can is \$15.20 per month. The current cost for a 90-gallon black garbage can is \$17.45 per month. The proposed cost for a 60-gallon black garbage can will be \$19.50 and for a 90-gallon black garbage can will be \$22.00. The city council decided last month to stop the recycling program in July 2023 because of costs reasons. Since we already have the blue/recycling cans we decided to look to see if they could be converted to green waste recycling cans. We obtained the can dumping fee, tipping fee, etc. in order to offer green waste service. The cost would be approximately \$18.00 per month per can. The service would only be offered for April through October of each year. Even though the service would only be offered seven months per year the fee would be charged twelve months per year. Green waste service would not be mandatory. The company which dumps the cans would need a minimum of 500 cans in order to offer the service. Any number of cans under 500 the city would have to subsidize the program. The average cost to dump a green waste can would be \$7.71 where the service is offered for seven months but charged for twelve months. The average cost to dump a regular 90-gallon black garbage can would be \$5.08 per month. It is quite a bit cheaper to have garbage service rather than green waste service.

MAYOR: What is Smithfield doing?

JUSTIN: They are offering garbage, recycling and green waste service. About ¾ of the city is already on green waste service in Smithfield.

TERRIE: I can shred my own green waste cheaper than that.

MAYOR: Do we have any desire to continue to pursue this option based on the estimated cost?

TUCKER: I highly doubt we can get 500 accounts to sign up for the service now. Personally, I will just take a couple of loads to the Logan landfill when or as needed.

MAYOR: I talked to Mayor Jeff Hall about what Lewiston is going to offer. The city council has no interest in offering recycling service because of the cost. They did not review offering green waste service.

The consensus of the city council was to not offer green waste service at this time.

JUSTIN: The proposed contract with Econo Waste is in your packet. It has been drafted by legal counsel. We plan to add a clause where if another vendor wants to offer recycling or green waste service on their own and not part of the city, they would be able to do so without any issues with Econo Waste.

MAYOR: I support adding that clause. Is there a cancellation clause in the contract?

JUSTIN: I need to double check the verbiage but I believe either party can cancel with twelve months written notice.

MAYOR: Council, please review the contract and let us know of any concerns or changes within the next week.

CITY ADMINISTRATOR REPORT

MAYOR: Jeremy was not able to attend our last city council meeting because of a culinary water leak.

JEREMY: The top of a valve came apart on the corner of 600 South 400 West. I suspect as big trucks drove over that area for several years over time the bolts came loose and broke and then the gasket came out. The Ed Ogden dairy is on that waterline. We struggled to get them water but they worked with us while we got it repaired.

MAYOR: I went down and toured the area after our council meeting. We have a good public works staff. The repair was completed the following morning.

JEREMY: We have a great crew. They work well together. The generator for this building should arrive in February. We are struggling to get a confirmation date on the Cherry Creek well generator. It is supposed to arrive in January or February. We are working with Rocky Mountain Power and an electrical contractor on these projects. We would like to purchase a VFD (variable frequency drive) for the WDCI well. It would allow us to speed up or slow down the motor. It would be nice to control the well rather than have it running at zero percent or one hundred percent. We will save on power as well. We are working through some details before we order this item. There is a discrepancy in the size of the well motor from our records and Rocky Mountain Power's records.

TUCKER: I think it is a 100-horsepower motor.

JEREMY: Based on the motor size it might increase the cost a little bit. The biggest issue is availability.

MAYOR: We want to do some maintenance on the well when it is not in operation as well.

JEREMY: We will do the work when we can. Rocky Mountain Power pointed out the possible motor size concern. We looked at some Wattsmart possible savings opportunities but there are not any for what we are doing. I really don't want us to lay the asphalt for the new parking lot at this building because of the cold weather. There is frost in the ground. They are willing to complete the job on Tuesday, November 22nd. They will require us to sign a waiver if they do the project relieving them of all liability if the asphalt crumbles because of the cold weather.

MAYOR: I don't think we should do it.

AMBER: I respect the professional opinion of the staff. If waiting is the best option we should wait. I want to make sure our money is spent wisely. The building can still be accessed even without the parking lot.

JEREMY: Our construction standards say the temperature must be 40 degrees and rising. The vendor requiring us to sign a waiver concerns me.

JUSTIN: They are only showing a high of 40 degrees next Tuesday.

TUCKER: Will they finish the work in the spring or will we be pushed off for not doing the work now?

JEREMY: When I talked to them, they said we would be a priority in the spring.

MAYOR: Will we have to touch up the work which has already been completed in the spring?

JEREMY: We will barricade off the driveway to protect that area over the winter months. The touch up work should be minimal.

MAYOR: HollyJo attended a CDBG (Community Development Block Grant) meeting. We are going to apply for a grant. One project we could consider is an awning for the senior center as well as furnace and air conditioning units for those two rooms.

JEREMY: We have only issued one building permit so far this month. The Knolls Subdivision, Phase 1, is starting to be paved. They might be able to pull some building permits up there now. It will be up to the fire chief. We are working out the bugs on our new hot box machine. It is a success and will work well moving forward. We used around two to three batches of asphalt and repaired a half dozen or so areas. It is nice to be able to heat the asphalt to the temperature we need. We did one large patch. It was a test for what would happen if we had a large open road cut scenario.

MAYOR: Would we allow other cities to rent the hot box?

JEREMY: Possibly. Other cities are curious to see how it works.

MAYOR: I think it is money well spent.

JEREMY: Chris Purser has officially retired. We are going to run the city office with just myself and HollyJo at this time. Melissa Titensor will fill in for us as needed. We are going to try and save money and not hire another person at this time.

MAYOR: We have been approached by a local business owner about possibly renting a room in this building. We have a couple of different rooms we could offer to them. What is the city office schedule during Thanksgiving week?
JEREMY: It will be regular hours for Monday through Wednesday.

MONTHLY FINANCIAL REVIEW WITH DISCUSSION AND DECISIONS AS NECESSARY.

JUSTIN: We had another good sales tax month and collected \$53,780. So far, this fiscal year we have collected donations for the DUP totaling \$300 with another \$400 committed, \$200 for Black & White Days and \$3,000 for the senior program. We collected one water impact fee in October. This is for a shed on the north end of State Street. There is not a sewer impact fee because the area does not have sewer service there. You will notice in the financials that solid waste service is now all by itself. We paid Smithfield City \$5,000 towards the cost of the solid waste rate study which was completed on behalf of the two cities by Zions Public Finance. I have also uploaded the final income statement for Fiscal Year 2022 if you want to review it. It is a little simpler to understand than the audit document. I have also included the balance sheet broken down by fund so you can see each line item and which fund it is associated with. The initial drawings for the new pavilion are done. The pavilion will run east and west with a wall on the west end. There will be a shelf along the wall which will have electrical plugs as well so cookers and other items can be plugged in. The next step is getting the engineered plans completed.

MAYOR: What are we applying for next year in regard to RAPZ tax?

JUSTIN: A new restroom facility for the north end of the park.

MAYOR: When we walked the area, we felt the best location will be south of the new pavilion and north of the existing pavilion which is located by the gazebo. It will be south of the existing road, Park Lane. Hopefully, no trees will have to be removed. It will be next to the parking lot by the north pavilion.

COUNCIL MEMBER AND MAYORS REPORTS.

MAYOR: A big shoutout to Amber and The Park Bench. A couple of events have already been held. It is an amazing senior center. We are looking at some grant opportunities to help with this area of the building.

AMBER: The planning commission will meet on Tuesday, December 13th. The senior center has been full of many surprises. My six-month goal was met in seven days. I was told I would not get any support, volunteers or people wanting to participate. I already have ten volunteers helping. The staff has been a tremendous help as well. It has been overwhelming how positive it has been. I am not stressed out over it anymore.

MAYOR: It started as an idea and has required a lot of hard work. Amber, it would not have happened without you.

AMBER: There were 32 in attendance at the first luncheon. Over 100 people attended the open house. Nine new people came for lunch this week. There is appreciation given and tears shed by the people who attended. They came in with smiles. It has been a cool thing to see. Everyone who has attended has an opinion of how to make it better. Tucker's parents were in attendance as well.

MAYOR: Big J's and several others have helped out.

AMBER: Old Grist Mill did this week's meal. We will continue to get better. Many items have been donated such as this sign. "If you build it, they will come" speaks true of this project. I want to thank you for your current support and ongoing support of the program.

MAYOR: It is important to support this program. My mom will turn 86 this week. She wants people to do things with. It is rejuvenating for her to meet with new people and friends. A big thanks to Jeremy as well for helping this come together.

AMBER: The volunteers range in age from 32 to 76. Some kids are doing a piano recital next month. Winter travel is a concern. We might see if CVTD (Cache Valley Transit District) or some neighbors can help get people here.

TERRIE: I have supplied an update on the timeline for the General Plan update. One item which has been highlighted is our mission/vision statement. To my knowledge we don't have one. I have not found anything in this regard. Do we want to develop one? If we do, we need to come up with it in the next month. Most groups I work with have a mission and vision statement.

TUCKER: Is this for the community in general?

TERRIE: Yes.

MAYOR: Have we received the Park Lane street signs yet?

JEREMY: No, not yet. Signs are hard to obtain right now because of supply chain issues.

Richmond City Council Meeting Minutes, November 17, 2022

TERRIE: The steering committee met yesterday to review the survey information. It was a 12-member committee but two have moved away. We are currently working on goals and objectives. Alison and her team will work on the rough draft over the holidays. January 17th is the target goal for the rough draft to be completed by. The intent is to present the draft at the February 2023 planning commission meeting. Then come to the city council in April. Eventually there will be a public hearing and formal adoption of the plan. Please review the matrix, goals and implementation document. Priorities have been assigned. We had a meeting around four weeks ago where items were prioritized either high, medium or low. This is subject to change by the council. Please review. Let me know if there are any you disagree with. We talked to UDOT (Utah Department of Transportation) and they are willing to consider extending the lower speed limit south of the Lower Foods property on the south end of town. The areas on the document to review are “Key Participants Responsible”, “Action Items” and “Funding Options”. We are looking at some other grant opportunities. The highway crossing study should be completed sometime in December. The trails master plan committee is meeting on December 7th. Carly Lansche is coming back to help. She now works for the state. We are hopeful to review this plan in January.

MAYOR: One main focus of the General Plan update will be future zoning especially for moderate income housing.

TERRIE: The goals of the last General Plan update and this update are dramatically different.

MAYOR: As a council what should we be doing right now?

TERRIE: I need your feedback on the documents I have provided. The planning commission will be involved as well.

MAYOR: Any updates from the irrigation company?

TERRIE: I attend their monthly board meeting. We are working on hoping to find some middle ground on a water share transfer request.

MAYOR: I have asked Lyle to talk about culinary water at our December council meeting. We have helped the irrigation company in the past when they have been short on water. They have paid the electricity bill.

LYLE: Next month will be the start of several discussions on culinary water.

MAYOR: We are fortunate to have Jeremy working with the AWWA (American Water Works Association). He will provide us an update on what they are focusing on and dealing with. We are going to need to implement some meaningful constraints in the future. I am worried about us continuing to have dry years. There is a possibility our pumps would have to run 24/7 in the future and I want to avoid that.

JEREMY: Conservation is a big factor. The state can take our water whether we are using it or not. There is a misconception the state cannot take the water if we are using it. Water conservation is a big priority with the legislature as well.

MAYOR: I know it will be discussed at the spring Utah League of Cities and Towns meetings as well.

TUCKER: Any information from our cement contractor on sidewalk projects?

JEREMY: We would have to pay to blanket any cement project we do now. The issue has been getting the cement. There has been a big backlog. The supplier is trying to supply some to everyone. I have been in contact. He was very apologetic for not getting here this fall. I talked to other contractors and they are in the same position and cannot get concrete as well. I think it will be spring before we can get anything done; unfortunately. I am hopeful we can do the cement work on the parking lot before the asphalt is put down in the spring.

TUCKER: In reading through the audit I am happy to see our long-term debt is under \$4,000,000. I am very grateful to the staff and council for helping to reduce our debt. We don't have debt for equipment and buildings. There is not any debt in those areas. We have only bonded for large infrastructure projects. It is highly likely we will have to bond for a large future water project.

MAYOR: We recently signed an engineering contract for a complete update on our water system.

TUCKER: We have dealt with our debt and purchases responsibly. It is nice to see on paper our debt going down. I am glad we don't have an unnecessary debt. I hope it stays that way for many years moving forward. I want to avoid any unnecessary debt.

MAYOR: Justin has done well keeping us in compliance and we are doing well in this regard. Kim how many terms did you serve on the city council?

KIM CHRISTENSEN: Two.

MAYOR: We are happy you are here tonight. The decisions you helped make benefit us now. We have an invitation to tour the new animal services building the county is opening. I won't be able to attend as I have conflicts both nights. Please let myself or Jeremy know if you can attend. I am hopeful some council members can attend.

AMBER: I will plan to attend.

TERRIE: I can as well.

AMBER: Terrie and I will plan to attend on the 28th.

Richmond City Council Meeting Minutes, November 17, 2022

MAYOR: In the past the city has done a holiday bonus. I reviewed some numbers with Tucker, Jeremy and Justin. Let me know if you have a concern with what has been proposed. There are some increases from the past. We are working on a model for the future based on how much a person works such as part-time, full-time, etc. Our increase in interest revenue will cover the cost of the bonuses. I want to show the staff we support them. I have some information from the bank side I would like to share. Lots of data about exactly what is happening in the state. Interest rates are impacting growth. It effects the number of homes sold. Prices are still increasing even as the interest rate increases. Unemployment, especially locally, is so low. Some of these factors happening at the same time have never been seen before such as a rising interest rate with housing costs still increasing and unemployment staying low. A person making \$50,000 a year can afford a home at an interest rate of 2.5% but cannot at a rate of 7.0%. This is all public data. We review it in on our loan committee meetings. Surprisingly, there is a lot of inventory on the market. Right now is not a great time to buy because prices are so high. Look over the report and see how the numbers are moving. The data does not lie about what is actually happening. Nobody knows what the federal reserve is going to actually do with the interest rate. The market is based on assumptions. Not everything which is happening is bad. There are some positive things happening in the market. Sadly, there was a big cutback at iFit last week. We as a city are dependent on sales tax revenue. We have benefitted greatly from the Amazon effect. Everyone in the community benefits when items are purchased and shipped to the city. We collect the sales tax. The sales tax goes to the zip code where the product was delivered. Last month we collected over \$53,000 in sales tax revenue which is a lot for us. It will help us do some good things if it keeps happening. Be sensitive to those in the community as some residents have some real challenges right now. Next month we are going to talk about wages. We might need to consider a midyear wage adjustment. Jeremy is gathering information on wages. I have talked with Tucker and some other employers to see what they are doing. Inflation is around eight percent. Right now I cannot fill the tank on my truck for one hundred dollars. Happy Thanksgiving. Travel safely. Justin, please get the deed recorded tomorrow.

AMBER: There is going to be a Friendsgiving for the seniors at The Park Bench. So far twelve people have signed up. It is a potluck style meal. If you are aware of people with nowhere to go please let them know.

A motion to adjourn was made by Terrie, seconded by Amber, and the vote was unanimous.

Yes Vote: Thatcher, Bair, Wierenga, Ervin

No Vote: None

Absent: Crafts

Adjournment at 8:12 P.M.

RICHMOND CITY CORPORATION

Paul J. Erickson, Mayor

ATTEST:

Justin B. Lewis, City Recorder