

RICHMOND CITY COUNCIL

AUGUST 25, 2020

The meeting of the Richmond City Council regarding the property tax rate of the city was held at the Park Community Center located at 90 South 100 West, Richmond, Utah on Tuesday, August 25, 2020. The meeting began at 7:35 P.M.; Mayor Jeffrey Young was in the chair.

The following Council Members were in attendance: Tucker Thatcher, Cheryl Peck, Kelly Crafts, and Terrie Wierenga.

Lyle Bair was excused.

City Administrator Jeremy Kimpton, City Recorder Justin Lewis, Librarian Lora Smith, Deputy City Treasurer Holly Jo Karren, and City Treasurer Christine Purser were also in attendance.

VISITORS: Sarah Ann Ripplinger

PUBLIC HEARING TO DISCUSS THE PROPOSED INCREASE IN PROPERTY TAX REVENUE FOR THE CITY. THE RICHMOND CITY TAX ON A \$253,000 RESIDENCE WOULD INCREASE FROM \$179.78 TO \$190.22, WHICH IS \$10.44 PER YEAR. THE RICHMOND CITY TAX ON A \$253,000 BUSINESS WOULD INCREASE FROM \$326.88 TO \$345.85, WHICH IS \$18.97 PER YEAR. IF APPROVED THE CITY WOULD INCREASE ITS PROPERTY TAX REVENUE BY 5.81% ABOVE LAST YEAR'S PROPERTY TAX BUDGETED REVENUE EXCLUDING ELIGIBLE NEW GROWTH.

MAYOR: Property tax is confusing to understand. I talked to the local radio station. They listed what we were doing as a major tax increase. They claimed it was bad because of COVID-19. We are asking for the same rate as last year as well as in 2018. We want to hold the rate the same. We want to keep the same rate as before. By holding the rate, it allows us to collect more revenue because of growth. I have supported doing this for many years. I am happy we finally got the rate where we can hold it.

JUSTIN: I talked to the county and was provided the following information. Homes built from 1970 through 1989 were reassessed this year. A few homes outside of that timeframe were reassessed as well. In 2019 and 2018, all parcels in Cache Valley were reassessed. This year about 20% of the city was reassessed. Next year, a different block of homes will be reassessed or possibly the entire city. As an item of clarification, if a home has the same value as last year and the council chooses to keep the same rate this year, then a property owner would pay the exact same amount to the city this year. If the council holds the same rate as last year and the value of a parcel increased this year, then the amount paid to the city would increase. If the rate is held the same at 0.001367, the city will receive \$215,621 in property tax revenue this year. If the rate is not held, it will decrease to 0.001292 and the city will receive \$203,791 in property tax revenue. The difference is \$11,830.

A motion to close the regular council meeting and open the public hearing was made by Terrie, seconded by Tucker, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Wierenga

No Vote: None

Absent: Bair

The public hearing opened at 7:39 P.M.

SARAH ANN RIPPLINGER: I have lived in the city over 50 years. I have seen the sewer rate have two or three large rate increases. I am annoyed by this. I read the article in the newspaper. I am frustrated. I remember when the city utility bill was \$117. Then, it was increased for four straight years. I wonder if it covers other costs. It has gone from \$117 to \$136. It worries me. This is a bad year for everyone. We got an increase last year as well. Everyone keeps increasing their price. Wages are not going up. Is the increase necessary?

MAYOR: We are not changing the rate; we are keeping the same rate as last year. Do you understand that?

SARAH: Yes. Most times the residents don't understand what is going on anyway. Do you need to raise taxes? People are under stress. Is this really necessary?

Richmond City Council Meeting Minutes, August 25, 2020

JUSTIN: Just as an item of clarification, the water fund and sewer fund are enterprise funds. Those funds are not part of the general fund. Property tax is part of the general fund. These funds are all separate.

SARAH: Wages are not increasing. People are struggling. I am wondering if this is really necessary.

MAYOR: I would say yes it is necessary. There needs to be a way to balance things as we grow. The wage people made 20 or 30 years ago is different than today. I want to see slow increases over time, not seeing the amount double all at once.

SARAH: We have seen a tax increase the last few years.

TERRIE: Only because the county reassessed the value of the parcels. In 2019, all parcels were reassessed. Those in that 20 year period of time were reassessed this year. It is hard; I agree. I am retired and on a fixed income from a pension and social security. That is all I have. I agree with the mayor on this. We previously talked about increasing the property tax rate because it had not changed since 1978. We were falling further behind each year. We were relying on sales tax.

SARAH: The tax needs to be spread out to more than just property owners. I have a small rental property. Property tax needs to be spread out. It is a tough year, and most people are struggling. If this is not necessary, don't do it.

TERRIE: I reluctantly agree with the mayor on this. I want to see a slow increase, not see the amount doubled or increased 75% down the road like happened three years ago. We would have to do that again down the road if we don't do anything now.

SARAH: I thought someone should complain about it. Nobody knows what is going on.

TERRIE: Everything we do or are involved in is listed on the website.

MAYOR: I appreciate you attending and voicing your concern.

SARAH: There were only three people in attendance at the water rate hearing because nobody knows what is going on. It just keeps going up, but wages are not.

MAYOR: Keep in mind only about 12% of the total property tax you pay comes back to the city. Other entities get the majority of the property tax you pay.

TERRIE: The school district gets the vast majority of what is collected.

MAYOR: I believe they get around 75%. We understand there are impacts to people's lives based on the decisions we make. We value your opinion.

A motion to close the public hearing and reopen the regular council meeting was made by Cheryl, seconded by Kelly, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Wierenga

No Vote: None

Absent: Bair

The public hearing closed at 7:48 P.M.

DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 2020-05, A RESOLUTION SETTING THE PROPERTY TAX RATE.
--

A motion to adopt Resolution 2020-05, a Resolution setting the Real and Personal Property Tax Rate was made by Tucker, seconded by Kelly, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Wierenga

No Vote: None

Absent: Bair

A motion to adjourn was made by Tucker, seconded by Kelly, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Wierenga

No Vote: None

Absent: Bair

Adjournment at 7:49 P.M.

RICHMOND CITY CORPORATION

Jeffrey D. Young, Mayor

ATTEST:

Justin B. Lewis, City Recorder