

RICHMOND CITY COUNCIL

MARCH 16, 2021

The regular meeting of the Richmond City Council was held at the Park Community Center located at 90 South 100 West, Richmond, Utah on Tuesday, March 16, 2021. The meeting began at 6:30 P.M.; Mayor Jeffrey Young was in the chair. The opening remarks were made by Tucker Thatcher.

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

City Administrator Jeremy Kimpton, City Recorder Justin Lewis, City Engineer Darek Kimball, Librarian Lora Smith, and City Treasurer Christine Purser were also in attendance.

VISITORS: Karther Knight, Vicki Blaylock, Shane Spackman, Sherrie Davis, Ashley Sorensen, Jarom Holloway, Jeremy Radmall, John Watterson, Lee Anderson, Roger Priest, Craig Winder, Senicca Holt, Greg Traveller, Trish Ivie, Michael Ivie, Matthew Thomas, Sharik Peck, Vern Fielding, Andrew Snarr, Shayla Snarr, Elbert Sweeten, Una Sweeten, and Craig Harris

APPROVAL OF THE CITY COUNCIL MEETING MINUTES FROM FEBRUARY 16, 2021

A motion to approve the city council meeting minutes from the February 16, 2021 City Council meeting was made by Lyle, seconded by Terrie, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

DISCUSSION ON THE 2021 BLACK & WHITE DAYS CELEBRATION

MAYOR: Last month, we decided we would talk about Black & White Days this month. The health department is allowing events with guidelines being put in place. In April, new guidelines will be coming out. A different mask mandate is going into effect in April.

TERRIE: The legislature and Governor Spencer Cox decided April 10th is when the mask mandate will be lifted. In reading Governor Cox's comments, he fully expects those who want to be vaccinated will be vaccinated by then. That is a positive for us. We want to see Black & White Days go forward. We can adjust our events as needed. We will do as much as we can outside. We will need to discuss if we want to cancel the chuckwagon breakfast where it is held inside.

MAYOR: We will have a specific discussion on our events as we get closer. The Cow-A-Bunga race will need to be discussed as well as how we register people.

TERRIE: It is recommended that races have a staggered start for the runners.

MAYOR: The council is in support of holding the event, so let's proceed. Like last year, there will be mandates which are in place as set by the state. We can adjust as needed. The council will not make additional stipulations on top of what the state is requiring. We worked with the health department last year and had a great cow show.

CRAIG HARRIS: It was the best cow show in years. It was one of the only shows held last year. There were not any on the east or west coast. It was the best show in 30 years. People wanted to show their cows. It was one of only a few shows which was available. All of the shows back east but one were cancelled. We are a national show. This year will be our 106th consecutive cow show. Last year was the only time in 105 years we held the show outside of May. It was held in September. Nobody has done what we have done in history. This is a big show. Some events we normally do, we could not do last year. We will work out all the small details with the city. In the past, we have only had a Holstein show. Those who have Jersey cows want us to create a National Jersey Cow Show in the future. We have no place to house them. The Holsteins will always stay in the big barn. We could possibly build a new building to the west, in the big open space grass area. The city would own the building, but we would secure the funding to pay for it. We are working on obtaining funding. The city could use the building other than during Black & White Days week.

MAYOR: There are always uses for that type of building.

CRAIG: I want you to be aware of what we are considering. We are looking at what funding sources have become available.

Richmond City Council Meeting Minutes, March 16, 2021

MAYOR: We are willing to review what you want to propose.

CRAIG: We will come up with a design that includes restroom facilities. The steak fry did not happen last year. We could space out the tables this year. I am not sure if the steak fry will happen this year.

MAYOR: The health department would allow the steak fry with table spacing. Put a plan together and submit it to the health department. I think we will have looser guidelines in April than we do now. Jeremy will work with you on your facility needs such as garbage bags.

CRAIG: We will plan for a steak fry and cancel, if needed.

MAYOR: The health department, cattle committee, and city all need to work together to make this happen.

SHANE SPACKMAN: What is the plan for the horse pulls? Will a new building affect the horse pull area?

MAYOR: Right now, the idea of a new building is just a concept.

SHANE: How do you plan to accommodate the horse pull crowd if a new building is built?

MAYOR: The concept and the reality of what are done are usually different. The horse pulls are all at once and done. The cow show is held over several days. There will be specific guidelines we follow. We will review the guidelines in April. We won't make any recommendations until we see what we can do in regard to seating.

SHANE: We need a crowd. We want to take care of the pullers. The pullers want to come. They love having the crowd.

MAYOR: We want to allow what we can. Most likely the breakfast and anything food related will be cancelled. The horse pulls are a jam-packed crowd of 3,000 people. We will address as needed. We will have to decide on the parade as well. The biggest thing is we need to make a plan and know what the guidelines are. We need to know what guidelines to follow. There are many different feelings regarding masks. We have to balance people's needs. Kelly will be in contact with you. We have to talk to the health department about the race as well. Each activity is going to have to be planned and dealt with individually.

SHANE: If it is mandatory to spread people out, we will need more room for the pullers and their trailers.

MAYOR: We are still not sure if we will be able to have the booths and vendors this year.

SHANE: We appreciate what you do for the pullers.

MAYOR: We are working with the same budget as in previous years. People are ready to get out and socialize. Everyone has been separated for a long time.

SHANE: The billboards look really great this year. Having a horse on one and a cow on another is great.

MAYOR: I think it is important we recognize the history of the event. Having the event for 105 years is a long time. The horse pulls have their own following as well.

ROGER PRIEST: What about the Highland Games?

MAYOR: We are still waiting on guidelines on the vendors. Food has its own set of guidelines. I am not sure if the health department enforces food requirements or if we are supposed to.

ROGER: We need a timeline we can work with to plan.

MAYOR: We need to talk to the health department. Then, we can notify everyone.

ROGER: We can limit the number of vendors if needed.

JEREMY RADMALL: The Highland Games came for four straight years before last year. I helped organize the event for two years. Black & White Days has the second largest number of athletes attending. There are around 75 who attend. The other event with more attendees is around 100 athletes and is a two-day event. I am not sure how many athletes we will have this year.

MAYOR: The horse pullers will start to arrive around 4:00 P.M.

ROGER: Their events will be well away from the horse pull area.

JEREMY: We can limit the number of applicants, if needed. We were running two of each event to get everyone through last time. We can change as needed.

MAYOR: Will you still use the two areas separated by the fence?

JEREMY: Yes.

TERRIE: We can consider limiting booth spaces as well. We might only be able to have 2/3 of normal.

ROGER: We can do that, if needed.

MAYOR: Let's get some guidance from the health department before any decisions are made.

TERRIE: I have seen them expand spacing between booths at other events. You don't need 12 feet between booths but might need six or eight feet. Our event is about the first local event of the year this year. Health Days has been delayed this year.

MAYOR: We will adjust our events as guidelines allow.

KELLY: Who is going to call the health department?

MAYOR: A council member or the city staff should.

ROGER: What about the Easter egg hunt? We have the guidelines the health department has given us. There are some precautions we need to adhere to. We can meet the required guidelines.

MAYOR: The candy will be individually wrapped, so there are not any problems there.

ROGER: I am not sure how to keep people from congregating.

MAYOR: We have not policed people up to this point. I don't plan on doing it now. We will follow the guidelines from the state.

ROGER: They mention having sanitation stations. Each Lion's Club member will be carrying bottles of hand sanitizer. We will comply in some capacity.

MAYOR: Thanks to everyone for being reasonable and accommodating as we try and make this event happen.

BUSINESS LICENSES

DRAGON'S BREATH LASER ENGRAVING

JAROM HOLLOWAY: I would like to do online sales of laser cut items. Items such as coasters. Simple stuff. Everything would be something made with a laser engraver.

LYLE: Will you be doing shipping from your home, or will you go to UPS or the post office?

JAROM: I will deliver everything to UPS to ship unless I get big enough.

LYLE: Is this a home-based business?

JAROM: Yes. I won't have any traffic.

TUCKER: Will you be storing any item you make inside?

JAROM: Yes.

A motion to approve the business license request for Dragon's Breath Laser Engraving (Jarom Holloway) was made by Terrie, seconded by Tucker, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

ALPINE INDUSTRIES, LLC

ERIK DURRANT: We need to renew our license. We didn't get a previous renewal done. We need to renew a previous business license. We dropped the ball and didn't get it renewed in time.

MAYOR: How long have you been in town?

ERIK: Since either 2004 or 2005.

A motion to approve the business license request for Alpine Industries, LLC (Erik Durrant) was made by Tucker, seconded by Kelly, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

DISCUSSION WITH REPRESENTATIVES OF CAPSA ON APRIL BEING SEXUAL ASSAULT AWARENESS MONTH.

ASHLEY SORENSEN: We appreciate the support of the city. This last year has been busy. We are happy for your support. We came before the council last year and discussed domestic violence. April is sexual assault awareness month. I would like to let you know what we are currently seeing at the center. People need help. The community supports us and our advocates. The first step is to start by believing everyone. Let's get them the help they need. One in three women and one in six men experience sexual assault in their lifetime. We are a partner with the local hospitals. We help assault survivors get forensic exams. We respond 24 hours per day. Sexual abuse is increasing in the valley. We support survivors of abuse as well. We help them get the knowledge and skills to survive. We want to help prevent future sexual assaults. We ask for the community to join us in believing. We have some awareness videos. We hope you will share them on social media and in your upcoming newsletter.

MAYOR: Do we have this information for the website?

TERRIE: I don't have anything new on the website. We will put their information in the upcoming newsletter. Please send us the link to your videos. If you can send to the staff, we can get them posted.

MAYOR: I know abuse is up because of COVID-19. Is sexual assault up as well? Is there a distinction between abuse and assault? Are the number of cases you are seeing growing because of COVID-19?

ASHLEY: We are seeing increases because people in times of crisis are increasing. People are isolated with an abuser more during the pandemic. The case worker will ask the person about the abuse, so they then know how to help.

GALE ALVEY: Where are you located?

ASHLEY: We are the Citizens Against Physical and Sexual Abuse. We serve Cache and Rich Counties. We are located in Logan.

MAYOR: We need to know about this problem. I am shocked, in a bad way, when I see the number of local cases there are. I recommend giving to CAPSA if someone wants to donate to a good cause.

PUBLIC HEARING FOR THE PURPOSE OF DISCUSSING ORDINANCE 2021-03, AN ORDINANCE ANNEXING CACHE COUNTY PARCEL NUMBER 09-066-0010. THE PARCEL IS LOCATED AT APPROXIMATELY 750 WEST MAIN AND IS 12.51 ACRES.

JUSTIN: This is the final step in the annexation process. Step 1 is the Resolution. Step 2 is the Certification. Step 3 is the public hearing and vote by the council. If the parcel is annexed into the city, the zoning designation is A-10 (Agricultural 10-Acre). The public hearing is not to discuss the zoning of the parcel. The public hearing is to discuss whether the parcel should be annexed into the city. The owner or developer then has the right to request a rezone which would go before the planning commission and city council. The issues with the survey have been corrected. The county requested some of the verbiage in the legal description be modified. This has been done and is included in the survey you are reviewing. No changes were made to the parcel or other areas of the survey.

MAYOR: The process is we will have the public hearing where those in attendance can speak. The council will then have a discussion and vote on the request.

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

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

The public hearing opened at 7:14 P.M.

MAYOR: The parcel is located at approximately 750 West Main.

GALE ALVEY: Who owns the parcel?

MAYOR: Curtis Knight.

GALE: Are there plans for a subdivision on the parcel?

MAYOR: That would come down the road. There could be homes or businesses. The land could be rezoned to industrial, residential or multi-family, or other zoning designations.

JOHN WATTERSON: Where is the parcel from the storage units which are being built?

MAYOR: Just to the west.

GREG TRAVELLER: So, the parcel is in the county right now?

MAYOR: Yes. If the annexation is approved, the parcel would then be in the city. We are considering bringing the parcel into the city tonight. Lee's Marketplace annexed the parcel they want to build on into the city a couple of years ago. In order to develop under city code, the parcel must be in the city.

MICHAEL IVIE: The size of the city would be increasing, if approved. Have any studies been done on the request? The land is currently agricultural. I think it is a straightforward request. There is not any impact to the city at this point. What about roads?

TUCKER: My biggest concern about the request is the road on 800 West. It is only a double chip seal road. Any development of the parcel will increase traffic on the road.

MAYOR: What is the road width for the city?

DAREK: Twenty-six feet of asphalt is required in the city. I don't know what the county requirements are.

TUCKER: Is a sixty-six foot right-of-way required?

Richmond City Council Meeting Minutes, March 16, 2021

DAREK: Yes. There might already be one in place. They would possibly have to dedicate some land to the city if the parcel is developed and the road needs to be widened.

MAYOR: The city takes over roads as part of annexation requests.

MICHAEL: At this point, there is no impact. What about water and sewer at this point?

MAYOR: That is part of the development process. A rezone is separate from an annexation request. We see proposals all the time. Some are never officially considered by the council.

TERRIE: With an A-10 zoning classification, we would receive very little property tax revenue. Development of the property is when everything changes.

MAYOR: More development is allowed in a city than in the county; therefore, developers want to be in town for development purposes.

SENICCA HOLT: I understand tonight is not a zoning discussion. I live on county road 300 East which is 800 West in the city. Van Skidmore provided a letter to the city against the request signed by many people. Growth is inevitable. I think the cart is being put before the horse. A sizable grocery store is ready to come to the city which is fantastic. I think putting this request off a little longer is better. You can see what others are doing with water, sewer, and roads. Put development in this area on the backburner. Let growth happen in other areas before we expand in this area.

MAYOR: Did the majority of the landowners in the area sign the letter?

SENICCA: Yes.

TERRIE: Some of the signatures are from those living in the city, not just on the edge of the city.

ANDREW SNARR: I live on 800 West. The annexation request opens the door for more development in the area. There will be more traffic on all local roads if the request is approved. This request affects us and others. All of the neighbors in the community are affected.

CRAIG WINDER: I am associated with the Knight family. I want to reassure those in attendance an annexation request does not equal multi-family zoning. I am the one asking for the property to be rezoned. That is a separate conversation from this. The city has broad discretion in whether or not to grant a rezone request. They can vote no, and it is over. I am aware of the opposition to this request. We can discuss your concerns. We might change our minds and do something else before that step. As the mayor mentioned, the zoning, if annexed, would be A-10. Impact happens when the parcel is developed. The developer pays the cost to improve the road. If the parcel is annexed and if a rezone request is filed, it goes to the planning commission first. The planning commission makes a recommendation, and then the city council approves or denies the request. The council has the final decision. There is a lot of discussion before a rezone is approved or denied.

CHERYL: If the property is not rezoned, would you still annex the parcel into the city?

CRAIG: Yes. There are different possibilities for the parcel. If not residential, we can look at other options. We will look at what options will work. We want to collaborate with the city. We don't control anything. That is not how this process works.

CHERYL: Is it still of value to you to annex even if not rezoned?

CRAIG: If the rezone is not approved then the current use stays the same.

CHERYL: Is there value to you if the parcel is annexed and not rezoned?

CRAIG: Yes.

SHAYLA SNARR: The purpose of this meeting is because there is interest in getting rid of agricultural land. There is no interest to just annex to annex. People don't just annex to annex.

JEREMY: So people are aware, the annexation process started months before there was any discussion regarding a rezone.

SHAYLA: There will be more traffic on that road. Right now, people cannot walk on the road because of the amount of traffic. Something would have to be done to the road.

CRAIG: Improvements to the road are a development cost. The city would maintain the road long term. If we widen the road, we have to pay for it.

SHAYLA: The county road does not meet city standards.

MAYOR: The road can stay as it is as long as the use stays agricultural. It is the developer's responsibility to pay for costs such as roads if the land is developed.

LEE ANDERSON: How far south would they have to improve the road?

JUSTIN: The length of their property.

LEE: Will the city finish the area of the road going south which is not improved?

MAYOR: No.

LEE: Would the city pay to develop the rest of the road?

TERRIE: No. That is a county road not a city road.

Richmond City Council Meeting Minutes, March 16, 2021

LEE: So, you would go from a good road to a crappy road?

MAYOR: Yes. There are places all over Cache Valley where this happens.

LEE: The road is a currently a double chip seal?

TUCKER: I think so.

LEE: How wide is the road?

JEREMY: Our minimum is 26 feet of asphalt.

MAYOR: I think that road is currently 24 feet of asphalt.

ELBERT SWEETEN: Is the city looking for more property? Is there an advantage to annex the parcel into the city? If the parcel is not annexed and stays in the county, can it still be developed?

MAYOR: The county has different zoning rules than the city. Usually, the county has a ten-acre minimum limit which is why the zoning is such a big factor. Growth to the city is vital. Since I have been on the city council and as mayor, the city has taken on over \$11,000,000 in debt. The state mandated we upgrade our sewer system. We did not meet EPA (Environmental Protection Agency) requirements. We had to fix the issue or be fined. We reviewed the new sewer system for about a year before it was approved.

TERRIE: The MBR Plant project cost \$5,400,000.

MAYOR: Then we had to deal with water pressure issues on the east bench. We could not meet state requirements for water pressure. Fire flow was an issue as well. There are about 840 hookups in the city. Divide the \$11,000,000 cost over those number of hookups. Logan City is installing a new sewer system at a cost of approximately \$160,000,000. Smithfield has around 4,000 hookups. Their portion of their debt is spread over more households than here. We don't have near the hookups of those south of us. The more hookups a city has, typically, the less they pay.

ELBERT: For us to expand, do we have water and sewer available?

MAYOR: Yes. We did not build for our current capacity. We built for growth. We want a place for our kids to live. If we block all growth, our costs will stay high.

TUCKER: We are going to have a discussion on the monthly sewer rate later tonight. We have to discuss how to handle that fee moving forward. Maintenance and repair of the system will continue to increase. There is a cost to rural living. Some people don't want growth, and they don't want the fees to increase either. We have to find a balance.

CHERYL: Justin, what was your comment regarding roads as boundary lines.

JUSTIN: Right now, the city limit runs through the middle of this parcel. The exact area of the city limit is an unknown without a survey. It is nice when roads are the boundary. It is easy to explain to people and reference. A line running through the middle of a field is hard to pinpoint.

JOHN WATTERSON: Is there anywhere in the valley with higher utility rates?

MAYOR: Yes. Logan is building a sewer plant. Logan and the six outlying communities will be paying more for sewer when the plant is complete. When we installed our sewer system, we were the highest. Our license was the first local license to expire. Logan's permit is now coming due.

UNA SWEETEN: Adding more hookups is great but building across the road from a sewer plan is not right.

MICHAEL: There is a misnomer about the developer paying the cost. If the land is annexed, there will be additional road costs. There will be a cost to the city. Do you already plow this road?

MAYOR: We plow this road on the way to the MBR Plant.

MICHAEL: There is not a guarantee of development. If there is not much cost to the city to annex the parcel, I am okay with the request.

SENICCA: When you start annexing, growth and change are inevitable. It pushes the rest of us out. It affects me in the county. We already have a traffic problem on 800 West. The chicken poop trucks drive fast on that road. The county will not install sidewalks.

MAYOR: You are correct. The city installs sidewalks. The county does not.

SENICCA: This request impacts everyone. There are a large number of small children in the area now.

MAYOR: That is a zoning related issue, not an annexation issue.

SENICCA: Annexing land is pushing us out. This road is an easy way to bypass the city. People turn west at North Cache (600 South) and go west to 800 West and then north to the highway. The county does not monitor speed on this road (800 West). You need to wait and let the area around Lee's Marketplace develop first.

CRAIG: Sidewalks are installed when development happens. There will be sidewalk in front of the storage units to the east.

KARTHER KNIGHT: I am the son of Curtis Knight and the brother of Corrick Knight. We are here to work with the city. We want to work with you. We want to do our best and what is best for the community.

Richmond City Council Meeting Minutes, March 16, 2021

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

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga
No Vote: None

The public hearing closed at 7:54 P.M.

DISCUSSION AND POSSIBLE VOTE ON ORDINANCE 2021-03.

MAYOR: I appreciate everyone's comments. The process is important to understand. Some residents already thought the annexation was approved since a rezone was talked about. There is a specific process we follow. We have an annexation plan in place. We have a General Plan in place. We planned for growth on the east bench and to the north. We thought a grocery store might go in on the east side of the highway. We did not expect a request for a grocery store on the west side of the highway. Building west of the highway is new to everyone. Development in the area is being considered sooner than expected. We are a service entity. We don't make money but need to cover our costs. It is expensive. The water and sewer utility rate will be discussed later in this meeting. We need to keep a reserve on hand. A grocery store means growth is coming. The only way they build is if the city is growing.

Theurer's Store has been gone a long time. Growth happens. Growth affects the city no matter where it occurs. This is the first request the city has heard west of the railroad tracks in a long time, and it won't be the last. Growth is coming. It will come from all directions. The General Plan is reviewed and updated about every ten years.

TERRIE: I am in favor of the annexation. It has potential to improve our economic base. We are stagnant without growth. We cannot provide our current level of services with our current revenue. I want to see the community grow while keeping the agricultural feel. This is the 106th consecutive year of the Black & White Days cow show. Our roots are in agriculture. People demand drinkable water. We need a good sewer system. When we had flooding problems, people responded and handled it. I like to see boundary lines for a city be a road. This helps to have less mistakes in the future. This request is separate from a rezone request. I support the annexation request.

TUCKER: We had a good turnout tonight. We take people's comments seriously. These are hard decisions to make. We try and make the best decisions for the city. I think it is the right move to annex this parcel into the city. The rezone is a separate but very serious discussion. Many impacts need to be considered on any rezone. A lot of people talked about the future land use of that parcel during their comments tonight. Your words do not fall on deaf ears. We want to protect the town. I hear your concerns. I believe this annexation request is appropriate.

CHERYL: My kids are on that road a lot (800 West). I have ridden my bicycle down there. We want to keep people safe. I think it is silly not to annex the parcel into the city. The rezone is a totally different discussion.

LYLE: We did not ask the property owner to annex this parcel. The property owner has requested to annex this parcel. The city is not allowed to make an annexation request. This request is by the property owner.

MAYOR: People want resources such as city water. Some people try and pick and choose the services they want. We require people to be on the city water and sewer system if they are located within the city. Growth is hard. People like the past when it comes to growth. Our kids and grandkids want to be able to live here, and they cannot without growth. The average starter home in town is now over \$300,000. There are not many homes available to purchase in the valley right now. There are very few building lots available to purchase in town right now. Growth to the west is hard. Each request which is made will have the same people here speaking against it. It is a hard topic.

GALE ALVEY: I was on the city council, and we dealt with growth. My two sons and one grandson live by me. I understand you need room for a family to come home, and the city must grow.

MAYOR: I am so thankful for a mayor and city council who stepped up and installed the sewer system in the 1970's. They saved the city millions of dollars.

JUSTIN: Richard Bagley was the mayor at that time.

MAYOR: There is a city in the valley that does not have a sewer system. They now have sewage infiltrating their water system. The cost of the new sewer system for that city is six or seven times what it would have been had they installed theirs the same time we installed ours. It is better to plan for growth than fight it. Cities can be fined if they do not allow growth. There are constant legal battles with multi-family housing.

GALE ALVEY: The secondary water system was installed at the right time as well.

Richmond City Council Meeting Minutes, March 16, 2021

A motion to adopt Ordinance 2021-03, an Ordinance annexing Cache County Parcel Number 09-066-0010, a parcel located at approximately 750 West Main and approximately 12.51 acres was made by Terrie, seconded by Kelly, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

PUBLIC HEARING FOR THE PURPOSE OF DISCUSSING ORDINANCE 2021-05, AN ORDINANCE ESTABLISHING A MONTHLY BILLING AND RATE SCHEDULE FOR CULINARY WATER STARTING ON JULY 1, 2021.

MAYOR: This Ordinance would keep the \$1.00 per month increase in July of each year in place. We review this Ordinance when the previous Ordinance is going to expire, or when needed.

JUSTIN: As part of the budget process, we need to calculate revenue. Right now, our monthly water base fee, which includes 10,000 gallons of water, is \$60.00 per month. The proposed Ordinance would increase the base fee to \$61.00 on July 1, 2021 and an additional dollar in July of each year through July 2025. The current tiered rate would stay the same as it currently is. Ten thousand gallons is included in the monthly base fee. The charge is then \$1.00 per 1,000 gallons used for 10,000 to 100,000 gallons. The charge after 100,000 gallons is used is \$2.00 per 1,000 gallons used. This is the current amount and would stay the same in the proposed Ordinance. By keeping the \$1.00 per year in place, we have been able to avoid large increases to the base rate.

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

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

The public hearing opened at 8:14 P.M.

MICHAEL IVIE: How much water does the tiered rate include monthly?

JUSTIN: Ten thousand gallons.

TUCKER: We have to base our base rate off of the amount we need to cover our costs as well as service our debt. Our costs have to be covered even if water consumption decreases.

MAYOR: Our base cost must cover our costs as well as the anticipated monthly usage. Some people use less than 10,000 gallons per month.

TERRIE: I use about 1,200 gallons per month.

MAYOR: Residents ask why isn't the base rate less? There is a hard cost, and we have to pay it even if people don't consume any water.

MICHAEL: I know some infrastructure upgrades have been done in the past. Does the current rate cover future projects?

MAYOR: Our goal is to build a cushion with the \$1.00 per year increase. The current rate would not include enough funding for a massive infrastructure project. The Hill Haven area and other areas need massive renovation projects. I am not sure when any of those projects will happen. The state recommends we keep one year of expenses in reserve.

JUSTIN: Right now, we have approximately \$1,100,000 in our water fund account. After the annual water bond payment is made in a couple of months, we have just over \$800,000 remaining.

MICHAEL: Do we need to charge more?

MAYOR: It is a balancing act. Developers chastise us all the time for not paying for growth and development. Our intent is to have some funding on hand. We try and manage what projects come at us and pay for them as we go.

TUCKER: The state recommends one year of reserve on hand. The fund balance helps to buffer those big projects which are coming as well as pay for emergency projects.

MICHAEL: We are a bedroom community and trying to stay that way. We have to pay our cost as we go.

Richmond City Council Meeting Minutes, March 16, 2021

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

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

The public hearing closed at 8:21 P.M.

DISCUSSION AND POSSIBLE VOTE ON ORDINANCE 2021-05.

A motion to adopt Ordinance 2021-05, an Ordinance establishing a monthly billing and rate schedule for culinary water from the Richmond City Culinary Water with additional charges authorized by Title 14-000, Chapter 14-500 of the Richmond City Municipal Code was made by Tucker, seconded by Terrie, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

DISCUSSION ON THE MONTHLY SEWER UTILITY RATE.

MAYOR: Public Sector Economics did a rate study for us on our sewer utility rate. Basically, money coming in versus money going out. The MBR Plant is a big expense. The MBR Plant is going to cost more as it ages.

JUSTIN: We lost a very large commercial user from our sewer system. They corrected their processes and no longer dump large amounts into our system. They paid the city a substantial amount per year, and it is now gone. I don't blame them for fixing their process. Now the revenue is gone, we have to make up for it. We will review some information from the last fiscal year and what we have budgeted for this fiscal year.

FISCAL YEAR 2020 (JULY 1, 2019 – JUNE 30, 2020)

Revenue

Monthly Utility Fee	\$635,969
Interest Earned	\$16,129
Total Revenue	\$652,098

Expense

Regular Expenses	\$556,913
Equipment/Infrastructure	\$51,679
Bond Payment	\$171,000
Total Expense	\$779,592

Income/(Loss) (\$127,494)

BUDGETED AMOUNT FOR FISCAL YEAR 2021 (JULY 1, 2020 – JUNE 30, 2021)

Revenue

Monthly Utility Fee	\$602,952
Interest Earned	\$4,000
Total Revenue	\$606,952

Expense

Regular Expenses	\$542,638
Equipment/Infrastructure	\$105,872
Bond Payment	\$173,000
Total Expense	\$821,510

Income/(Loss) (\$214,558)

Richmond City Council Meeting Minutes, March 16, 2021

JUSTIN: For Fiscal Year 2020, the \$127,494 equates to a loss of \$11.46 per household per month. For Fiscal Year 2021, the expected loss is \$214,558 which equates to \$19.29 per household per month.

MAYOR: This did not come out of nowhere. We have a zero percent loan on the MBR Plant bond. One caveat for the state giving us the zero percent loan was they would dictate what the monthly payment would be. It took about a year process for the information to be gathered and them to tell us what we would charge.

JUSTIN: I would have to look up the information where this was a decade ago, but if I recall correctly, the monthly sewer rate increased from \$24.00 per month to \$40.00 per month at that time.

MAYOR: There were supposed to be three large increases to the rate as part of that project. We only did two of the increases. I think we went to \$52 per month with the second increase. The state recommended a third increase, but we never implemented it. The commercial users were dumping a lot into the system which was a large revenue stream for the city. We knew this day would come. We have held off on the third increase for almost a decade. The council has to decide how we want to proceed. We don't have enough funds on hand for a one-year buffer. The recommendation from the rate study is to increase the monthly fee by \$35 per month. Having some growth to add more utility accounts to the system would help. The bond payment must be covered. Even if nobody ever moves into the city again, we still have expenses and the bond payment to cover. The sewer plant is running at about 40-45% of capacity right now.

UNA SWEETEN: The plant will have less capacity if people move in.

MAYOR: Once the capacity is gone, we will have to add on. We own land and can expand the MBR plant.

JUSTIN: The rate study came in at a recommendation of \$35 per month. The council will decide what is best. A \$35 increase is not being considered at this time. This is just an initial discussion to see how the council wants to proceed.

MAYOR: We might have to do tiered increases of \$10 or \$15 or one large increase. The council has to decide. We have to fix our cash flow problem. The numbers which were presented do not take into account Depreciation Expense, so that is a problem as well.

JUSTIN: To breakeven from a cash flow perspective the monthly rate would have to increase by \$20 per month for this fiscal year. That is only based on one budget year and would change from year to year.

UNA: What is the \$105,000 in equipment purchases.

JUSTIN: The majority of it, around \$80,000, is for membrane purchases for the MBR Plant.

JEREMY: Our flow, right now, is about 140,000 to 150,000 gallons per day on approximately 900 hookups. We could add approximately 2,000 more hookups to the existing plant.

UNA: How many new hookups do we have a year?

JEREMY: I think last year was around seven. The previous year was about the same.

DAREK: We work with ERU's (Equivalent Residential Unit). One home is one ERU. A commercial user can use many ERU's. A commercial user would pay more based on the number of ERU's they utilize.

JEREMY: The commercial user was utilizing about 70 ERU's.

TUCKER: I don't think it cost a lot to process their waste. In hindsight, it might have been better to work with them to handle their waste at a lesser cost. We almost forced them off of our system by what we charged them. I don't think our expenses decreased much when they left the system.

MAYOR: Commercial users dump a stronger strength of sewage into the system. We had a lot of unknowns about what their waste would do to the MBR Plant. If we discounted the cost to treat the sewage very much, we would have lost money.

UNA: We need more industry in town.

MAYOR: It is a catch twenty-two. If we don't allow growth, then companies like Lee's Marketplace will not come. They wanted to know if the council supports or blocks growth. As you saw tonight, the people in attendance in this meeting do not want growth.

UNA: They are not against growth; they are against growth in the area which was presented.

MAYOR: The cost of land is less on the westside of the railroad tracks.

UNA: There are better places to build than by a sewer plant.

TERRIE: I was involved with this process in 2005. The state told us we did not have an option. We had to upgrade our system and take the sewer utility rate to \$40.00 per month at that time. In return, they offered us a zero percent loan. Right now, we are at 40% of capacity. We have the capacity to grow. Do we offer businesses incentives to come to town? Maybe offer them a discount for ten years or so. I don't think that is fair to the current residents. We could face a fine as high as \$50,000 per day if we are not in compliance. We have to monitor items such as phosphates and nitrates and keep them within compliance. I am on a fixed income and any rate increase will hurt.

UNA: We have a lot of low-income families in the city.

Richmond City Council Meeting Minutes, March 16, 2021

TERRIE: There are grant opportunities for people to apply for assistance. An increase of \$20 to \$35 a month will be hard for people to deal with.

DAREK: A \$20 increase only gets us to even this year. Costs will continue to increase on a yearly basis. The \$1.00 per year increase was to try and keep up. A \$20 increase will not help for very long.

MAYOR: With COVID-19 still a factor, I am more comfortable trying to just get by now and assess again down the road. We need to make sure we are covered and plan for the future. The question is whether or not to make one large increase or split it over time.

DAREK: A \$20 per month increase will not get you completely there, as costs will continue to increase.

MICHAEL IVIE: I would rather you go over the minimum amount needed. Costs do not decrease. You don't want to deal with this on a yearly basis. Do it all now.

MAYOR: There will be a public hearing when changes are officially proposed. I won't punt this down the road. We don't do that. Richmond pays their way. We don't do bonding for projects unless they are large. We only bond for infrastructure projects.

GALE ALVEY: I want to make a comment on our roads. I have been to other towns. We have the best roads in the valley. I don't like all the gravel off the road being put in my yard from the snowplow trucks. Has Lower Foods stopped using city water?

MAYOR: Yes.

GALE: That is another large loss of revenue to the city.

MAYOR: We have lost revenue, but on the other hand, it gives us the opportunity to grow without improvement projects.

VERN FIELDING: Have you reached out to the commercial user to see if there is anything which can be worked out? What about adding other municipalities to the system?

MAYOR: We talked to another municipality, and it is cheaper for them to have their own system. The commercial user could grow in the future and possibly utilize our system. All of the decisions we make now are based on what we currently know, not on future unknowns.

TUCKER: Gale, did the traffic slow down in front of your home after the yield signs were installed?

GALE: Yes. We still have people racing north and south on occasion.

MONTHLY FINANCIAL REVIEW WITH DISCUSSION AND DECISIONS AS NECESSARY.

JUSTIN: The new budget will be presented at the April council meeting. It needs to be adopted before June 22nd. In the current budget, we budgeted to replace one of our half-ton pickup trucks. Because of COVID-19, trying to get a base model truck like we want has become problematic. The new truck will most likely not arrive until after July 1st. We will adjust the budget, so the new truck is moved from this fiscal year to the next fiscal year. We are not purchasing two trucks. Just one new one in a budget year later than we expected. The legislature changed the law, and it is now mandatory that our election is held as Vote-by-Mail. The days of in-person voting on election day are over in Utah. We do not have the option to hold a traditional election on Election day. I met with Cache County Clerk Jess Bradfield, and they are going to help us with the election. They will do all of the backend work such as verifying signatures, helping absentee voters, etc. We will still handle signing up candidates, posting on our website, etc. I would anticipate voter turnout will be at least 75% this year and increase to close to 90% long term. The downside is the cost. In the past we have spent about \$500 on the election. A Vote-by-Mail election will cost about \$7,000 if we need a primary and general election. We won't know if a primary is needed until we see the number of candidates who sign up. In the current budget, we included funding for a new small tractor. We have not been able to find a tractor and the accessories we need with the amount we budgeted. We are also having problems with our lawnmowers. Jeremy and I would like to propose we purchase a new lawnmower rather than a tractor as well as a new bagging system for the large John Deere mower. These items are needed more than a new tractor.

JEREMY: We lost a couple of the older mowers this year. One was lost because the frame continued to break and could not be repaired. The engine failed in the other mower. We moved some mowers around and resurrected the old John Deere which was in the Quonset building. Our hope is to keep the big mower and repair it. It needs a new bagging system. The intent would be to buy a new mower and make it the main mower.

TUCKER: How often do we bag the grass?

JEREMY: Not very often.

MAYOR: We had to clean up some grass clumps in the past, usually around Black & White Days and the city party. I support getting a new mower and keeping the old mower as a backup.

JEREMY: We are looking at a rear discharge unit for the new mower. Then, we can mow alongside vehicles and not cover them with grass or damage them.

JUSTIN: In February, we received \$51,464 in sales tax revenue. This is very high for us. We hope each month is over \$30,000. At the halfway point in the fiscal year, we have received \$69,827 in Class “C” Road Funds. If we get that same amount for the second half of the year, we will almost be at \$140,000. We budgeted \$120,000. This is one tax that seems to never increase. It would be really good for us if we got \$20,000 more than we were expecting. We always have road projects which need to be done. We have received \$33,242 in Local Road Fund tax this fiscal year. These funds can be used for roads and sidewalk projects. The amount we receive monthly from this tax fluctuates greatly. We received two water impact fees in February. So far this fiscal year, we have received \$61,052 in Impact Fees for the water fund. We received two sewer impact fees as well in February. We have received \$35,329 in sewer impact fees so far this fiscal year.

COUNCIL MEMBER REPORTS

The city council did not have any additional items to review or discuss.

MAYOR’S REPORT

MAYOR: The city will be receiving around \$311,000 in stimulus funding for infrastructure projects. There are guidelines we need to follow. The guidelines are not as strict as the CARES Act funding. We will discuss the projects down the road. There are guidelines we will follow. The funds are not some we can set aside and do nothing with. The funds have to be spent on specific project types.

CHERYL: Can we use them on infrastructure projects like our sewer system?

MAYOR: Yes, but there are specific guidelines.

TERRIE: Can the funding be used to help fix some of our waterline problems?

MAYOR: Yes.

TERRIE: My biggest concern is areas like that.

MAYOR: It is expensive to live in a small town. People who are not aware are shocked at the amount of regulations we have to deal with. Our last sewer plant operator quit because of the regulations we are dealing with. We have an amazing town. I am happy to pay more to live here. I used the 300 East pathway recently, and I am still very impressed with that project. I feel at peace driving around town. I have gratitude towards people in town who make this city great. The decisions we make are hard.

TERRIE: Zac Covington and Carly Lansche are willing to do a free upgrade to our Trails Master Plan. We have our initial meeting with them next week. We will have a good product when the update is complete.

MAYOR: The 300 East Trail project was a hard project. The feedback I have received has been all positive. People use the trail. Next month is the last council meeting before Black & White Days. The meeting is scheduled for April 20th which is also the week of the Utah League of Cities and Towns Meetings. I would like to reschedule the April meeting, so those who want to attend can attend the training.

JUSTIN: Because of spring break, the April 6th planning commission meeting has been rescheduled to April 13th.

KELLY: Let’s reschedule the council meeting for April 27th.

A motion to adjourn and pay bills was made by Terrie, seconded by Kelly, and the vote was unanimous.

Yes Vote: Tucker, Peck, Crafts, Bair, Wierenga

No Vote: None

Adjournment at 9:05 P.M.

RICHMOND CITY CORPORATION

Jeffrey D. Young, Mayor

ATTEST:

Justin B. Lewis, City Recorder